

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Thursday March 20 1986

D 8523 B

Stuttgart: model of German expansion, Page 19

Country	Index	Change
Japan	1,528.00	+15.00
USA	2,450.00	+15.00
Germany	2,100.00	+10.00
France	1,800.00	+5.00
UK	1,200.00	+10.00
Italy	1,500.00	+10.00
Spain	1,200.00	+10.00
Belgium	1,200.00	+10.00
Netherlands	1,200.00	+10.00
Sweden	1,200.00	+10.00
Denmark	1,200.00	+10.00
Switzerland	1,200.00	+10.00
Australia	1,200.00	+10.00
New Zealand	1,200.00	+10.00
South Africa	1,200.00	+10.00
India	1,200.00	+10.00
China	1,200.00	+10.00
USSR	1,200.00	+10.00
Other	1,200.00	+10.00

No. 29,884

## World news Business summary

### Gunmen attack Israelis in Cairo

Gunmen attacked four Israelis in a suburb of Cairo as they drove away from an international trade fair. A group calling itself 'Egypt's Revolution' claimed responsibility for the attack in which an Israeli woman was killed and the other occupied by the car were injured. They had been working in the Israeli stand at the trade fair.

### Britain's Prince Andrew to wed

Prince Andrew, second son of Queen Elizabeth and fourth in line to the British throne, announced his engagement to be married to Sarah Ferguson, Miss Ferguson, whose father is the manager of the polo team of Prince Charles, Prince Andrew's brother, will take the title Princess Andrew upon her marriage. Stock market effect, Page 11.

### Air routes threat

Britain threatened a squeeze on US airlines operating into the UK unless Washington acted to end alleged discrimination against foreign competitors operating on lucrative North Atlantic routes. Page 2.

### Chad rebels clash

Chad said its troops killed 235 rebels in an attack on a guerrilla outfit based at Chicha, 100 km north of the 'red line', which splits the African country into a rebel-held north and a government-controlled south.

### Palme 'suspect' freed

Police in Stockholm released a Swedish extreme right-winger who had been charged with involvement in the murder of Prime Minister Olof Palme. Page 2.

### Finnish strike ends

More than 40,000 Finnish state employees were expected to end a two-day strike that has stopped all trains and grounded most aircraft. They said they would begin an indefinite strike in April if no pay deal was reached.

### Marcos 'donations'

Documents brought to the US by former President Ferdinand Marcos of the Philippines appear to contain a plan to make contributions to the 1986 election campaigns of both President Ronald Reagan and former President Jimmy Carter. Page 4.

### Madrid gang broken

Spanish police said they had smashed two gangs of thieves who caused alarm in Madrid's night spots by holding up fashionable restaurants and robbing diners at gunpoint.

### UK seeks ruling

Britain asked the European Court of Justice to rule as to whether a decision, taken by EEC agriculture ministers, to ban the use of hormones in cattle feed in the European Community.

### Rabbi urges probe

Chief Rabbi Moshe Eliahu, one of Israel's chief rabbis, urged former United Nations Secretary-General Kurt Waldheim to face an investigation in Israel in order to clear his name of an alleged Nazi past during the second world war.

### Ugandan town seized

Uganda's ruling National Resistance Army was poised to end the opposition from troops of the former government after capturing the northern town of Kitgum.

### Malamud dies

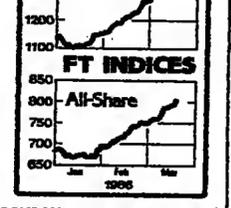
Bernard Malamud, one of America's foremost writers, died at the age of 71 in New York.

### Peru sacks police

The Peruvian Government dismissed 238 senior police officers in its latest corruption purge.

### Chase drops travellers cheques

BARCLAYS BANK, one of the four largest UK commercial banks, acquired for an undisclosed sum the Visa travellers-cheque business of Chase Manhattan Corporation. Page 13.



### LONDON gilts and equities surged

in post-budget euphoria. The FT Ordinary index peaked with a 14.9 gain to 1,309.5 while the FT-SE 100 rose 15.4 to 1,859.9. Page 40.

### WALL STREET: The Dow Jones industrial average closed 1.92 down at 1,787.95. Page 40.

### TOKYO shares were unsettled by a sharp fall in the yen. The Nikkei market average lost 162.78 to 14,476.54. Page 40.

### SINGAPORE stock exchange is to ease its broking regulations, setting the stage for greater foreign participation. Page 23; Market report, Page 40.

### DOLLAR closed in New York at DM 2.2855, SF 1.8945, FF 6.9555 and 1.716.90. It was firmer in London, rising to DM 2.2815 (DM 2.249), SF 1.8955 (SF 1.8435), FF 6.955 (FF 6.915) and 1.716.95 (1.715.0). On Bank of England figures, the dollar index rose to 117.3 from 116.7. Page 33.

### STERLING closed in New York at \$1.4940. It gained 0.25 cents against the dollar in London to \$1.48 and rose to DM 3.3475 (DM 3.3225), SF 2.805 (SF 2.7825), FF 10.2825 (FF 10.2175) and 1.726.0 (1.725.5). The pound's exchange rate index rose 0.5 to 74.8. Page 33.

### GOLD fell \$2.75 on the London bullion market to \$347.75 and was \$4.25 lower in Zurich at \$347.00. In New York, the COMEX April settlement was \$350.80. Page 32.

### US ECONOMY grew at an annual rate of only 0.7 per cent in the fourth quarter of last year, 2.5 percentage points below earlier estimates. Page 20.

### MEXICO'S oil-export revenue fell 11.3 per cent in 1985 ahead of this year's international oil-market collapse. For the second consecutive year, the country's proven oil reserves were down. Page 22.

### TEKACO, US oil major struggling to nullify a \$11.1m damages award to Peanoni, has signed a joint US exploration venture with Nippon Oil of Japan. Page 21.

### INTERNATIONAL THOMSON Organisation, Canadian publishing, travel and energy group, lifted net income from \$90m to \$111m (\$182m) last year. Page 21.

### CITICORP's \$89m takeover offer sent shares of Quotron, the Los Angeles-based financial information service, soaring on Wall Street. Page 21.

### SONY, Japanese audio equipment manufacturer, suffered a 5.5 per cent fall in consolidated net profits to ¥16.7bn (\$168m) in the year to end January. Page 23.

### KLÖCKNER-WERKE, West German steel and engineering group, reported a strong recovery in trading performance for the year to September, 1985, and forecast further significant progress in the medium term. Page 21.

### SNIA BFD, Italian fibres, munitions and chemicals group of which Fiat is a main shareholder, is paying £1.37bn (\$244m) in shares for Biogen, a Fiat subsidiary. Page 24.

## Mitterrand insists on veto over Chirac's ministers

MR JACQUES CHIRAC was yesterday involved in difficult negotiations with his coalition partners on the formation of a new government before being officially appointed Prime Minister by President Francois Mitterrand, writes David Housheer in Paris.

Mr Chirac has given himself until today to put together his ministerial team for submission to the President. Mr Mitterrand made clear that he maintained a right of veto over sensitive appointments such as foreign affairs and defence and that he would not welcome in the Cabinet men who had spoken strongly against him in his role of President of the Republic.

This assertion of presidential authority increased Mr Chirac's difficulties in drawing up a list of ministers that reflected the balance of forces between his own neo-Gaullist RPR party and the centrist UDF.

The main victim of Mr Mitterrand's veto was Mr Jean Lecanuet, the president of the UDF, who insisted that Mr Chirac had wanted to offer him the post of foreign minister but that Mr Mitterrand had declined to accept him. He said he had refused any other post but reaffirmed that he would support Mr Chirac's government.

The negotiations between Mr Chirac, the President and the right-wing parties are the first major sign of the change in the workings of the institutions of the Fifth Republic that last Sunday's election result has brought about.

Until now, Cabinet-making has been done in secrecy between the President and the Prime Minister as the President has also controlled the majority in the National Assembly.

None the less, Mr Chirac yesterday played down reports of disagreements with Mr Mitterrand, saying there were no real problems between them. He added: "Things are working out normally."

Both Mr Chirac and Mr Mitterrand have at this stage a strong interest in avoiding a crisis and demonstrating that "cohabitation" between President and Prime Minister of opposing parties can work smoothly.

One difference yet to be resolved, however, is Mr Chirac's wish to accelerate his legislative programme through having new laws adopted by decree. The advantage of that is that it cuts short lengthy parliamentary debates that could drag out the new majority's programme and damage its image.

The first round of discussions between Mr Mitterrand and Mr Chirac were thus being described yesterday as defining the rules of the game in the novel situation of a Socialist President and a right-wing Prime Minister.

Throughout the day Mr Chirac saw individually and in groups the leaders of the different components of the UDF. In clearly difficult "horse-trading," his problem was to find them posts that corresponded with their political strength and that would bind them to the coalition.

Present during most of those conversations was Mr Edouard Balladur, a close adviser of Mr Chirac's and a former Secretary General at the Elysée Palace, who is expected to be the new finance minister.

Mr Philippe Mestre, a close supporter of Mr Raymond Barre, the former Prime Minister, who has denounced cohabitation as unacceptable, described this process of consultation as a "difficult pregnancy." The RPR and the UDF have said that one of their first priorities in the new Assembly will be to bring back single-constituency majority voting, which would have given them a much larger majority in the Assembly. Mr Jean-Marie Le Pen, the leader of the extreme right-wing National Front, said last night that his movement, with 35 deputies in the new Assembly, would oppose such a move.

### ICP's £ Eurobond breaks new ground

BY ALEXANDER NICOLL IN LONDON

STRONG DEMAND for sterling-denominated bonds, amid the fall in British interest rates, led Imperial Chemical Industries yesterday to launch a £100m Eurobond issue, which challenged the traditional preferences of British investing institutions.

It took advantage at the same time of institutions' desperation to buy long-term sterling bonds as bank rates were cut yesterday, and of a change in stamp duty announced by Mr Nigel Lawson, the Chancellor of the Exchequer, in Tuesday's budget speech.

His imposition of stamp duty on domestic bond issues was quickly interpreted in the markets as driving investors into Eurobonds, which as bearer securities are exempt from stamp duty.

Eurobonds are typically issued without covenants. But virtually all sterling Eurobond issues have been for medium-term maturities. UK institutions' preference for long-term paper with covenants has limited borrowers' ability to issue long-term bonds.

With its issue led by Morgan Grenfell and Lloyds Merchant Bank, ICI, by introducing a 11-year maturity to the Euro-sterling market for the first time, challenged UK institutions to buy long-term paper without covenants.

Such covenants place restrictions on issuers' overall borrowing, stipulate adherence to specified financial performance ratios, or limit their ability to make disposals.

Yesterday's strength in the sterling market meant that institutions were virtually forced to buy the ICI paper without worrying whether it was covenanted. Dealers said it remained to be seen whether British institutions would keep the bonds as a long-term investment.

### Singapore set to place \$1.8bn Boeing order

BY CHRIS SHERWELL IN SINGAPORE

SINGAPORE International Airlines (SIA), the island state's national flag carrier, is expected shortly to announce a \$1.8bn order for at least 14 Boeing 747-400s, the new large-range, fuel-efficient jumbo aircraft.

The order will be coupled with the disposal of some of the airline's existing fleet but may also carry options on further 747s. It will immediately provide a no-holds-barred competition for orders between engine suppliers Pratt & Whitney of the US, which is SIA's main supplier, General Electric, also of the US, and Rolls-Royce of the UK.

The airline is also approaching a final decision on the expansion of its fleet of smaller twin-engine aircraft, with a choice between Boeing 757s and Airbus A-310s. Three new aircraft are believed to be involved, and possible options on more.

The decision is important, since a choice in favour of the 757 would yield a better jumbo deal. But there may equally be a preference for the more popular Airbus, and the European consortium is keen to offer its own proposed long-haul aircraft, the A-340, as part of a larger package.

Teams from the aircraft manufacturers and engine suppliers are in Singapore to consolidate their positions with the airline, which last surprised the world in May 1985 by placing a \$1.8bn order for six Boeing 747s, four Boeing 757s and six Airbus A-310s.

The airline's fleet, one of the world's youngest, stands at 29 aircraft - nine Boeing 747-200s, 10 747-300s, four 757s and six A-310s. The new jumbos would be delivered from 1988 onwards and would coincide with the disposal of the 747-200s.

### Reichmann bid values Hiram Walker at C\$3.2bn

By Bernard Simon in Toronto

GULF CANADA, the resource group controlled by Toronto-based property developer Olympia and York, is in bid for control of Hiram Walker Resources, the Canadian energy and distiller spirits company whose brands include Canadian Club Whisky, Ballantine's scotch and Courvoisier cognac. Gulf's offer values Hiram Walker at C\$3.2bn (\$2.2bn).

A successful bid would catapult the Reichmann family, Olympia's major shareholders, into a leading force in the Canadian energy industry and give them an important stake in the international drinks market.

The Reichmanns have shown an interest in diversifying from property into natural resources since acquiring control of the newspaper publisher Abitibi-Price five years ago. Olympia bought control of Gulf Canada from the latter's US parent last year and owns 60 per cent of its common shares.

Gulf Canada said yesterday that it planned to offer C\$32 in cash a share for up to 26m of Hiram Walker's common shares and C\$28 for each of 14m outstanding first series, class D preference shares.

The bid, valued at C\$1.23bn, covers 38 per cent of Hiram Walker's outstanding voting shares.

If insufficient preference shares were tendered to meet Gulf's target, the company would raise the maximum number of common shares to be purchased. Olympia and York, which already holds about 11 per cent of Hiram Walker's voting shares, said that it would not tender any of its holdings under the offer.

Olympia and York has restructured Gulf Canada into a holding company for its natural resource interests, including Abitibi-Price and the oil and gas exploration and production operations bought from Gulf of the US. Olympia has disposed of Gulf Canada's downstream assets, including refineries and service stations.

Earlier this year Gulf Canada announced a promising discovery in the Beaufort Sea which may be developed into the first commercial oilfield off Canada's northern Arctic coast. Energy analysts said yesterday that one reason for Gulf's interest in Hiram Walker might be the latter's 34 per cent holding in Interprovincial Pipeline, which operates the longest crude oil and liquids pipeline system in North America.

Distilled spirits make up only 20 per cent of Hiram Walker's assets of C\$6bn but contribute more than half its operating profits.

### UK interest rates cut by 1 point

BY PHILIP STEPHENS IN LONDON

BRITAIN'S leading banks cut their base lending rates by 1 percentage point to 11 1/2 per cent yesterday as London markets reacted warmly to Tuesday's budget and Mr Nigel Lawson, Chancellor of the Exchequer, held out the prospect of further reductions over coming months.

The cut in base rates, signalled by the Bank of England, was quickly followed by a 3/4-point reduction in mortgage rates on home loans.

Sterling, share prices and government securities all rose strongly in London as post-budget optimism was strengthened by speculation that oil prices may now be stabilising.

The Confederation of British Industry welcomed the reduction in borrowing costs, which it said would lead to more investment, property and jobs.

Mr Lawson, in an upbeat mood after the budget's favourable reception in financial markets and in his own party, said he hoped that falling world interest rates and an expected sharp drop in Britain's inflation rate would lead to further cuts.

Mr Lawson emphasised, however, that further reductions would depend on a continuing fall in the inflation rate and that the longer-term outlook depended on the pace of pay awards.

There was no "guarantee" of lower borrowing costs and he would have no hesitation in raising them again if the outlook for prices deteriorated.

Mr Lawson also said that the halving of the oil price since last autumn had weakened the objections to full British membership of the European Monetary System. There were still objections to taking the pound into the exchange rate mechanism, however, and he was non-committal on whether that was

### UK budget reaction, Page 14; Lex, Page 20; Money markets, Page 33; London stock market, Page 36

### Money markets, Page 33

### London to reform SE council

BY JOHN MOORE, CITY CORRESPONDENT, IN LONDON

RADICAL constitutional reforms are planned by the London Stock Exchange in an effort to give large financial groups new entering the market more influence in its running. The moves are likely to reduce the exchange's ruling council from the present 52 members to a maximum of 25.

The exchange, announcing the plans yesterday, said the governing body should be representative of the future range of businesses within the exchange.

The plans were drawn up after stock exchange members last June defeated a proposal that would have led to the transfer of membership of the exchange from individuals to companies.

Officials have since then sought to devise a scheme to give new outside groups, such as Merrill Lynch and Nomura, which are joining the exchange, an involvement in the running of the market appropriate to their size.

An internal committee has proposed that council membership reduced from 52 to a maximum of 25. Independent "lay members" drawn from the wider business community and who currently have five places on the council, would have more seats. Not less than one quarter of the council and not more than one third would be drawn from various outside business interests.

The lay members would represent the public interest and the interests of users of the exchange. The number of exchange securities dealers who hold places on the council would fall sharply. Assuming the council has the maximum number of seats indicated in the new scheme the exchange practitioners could lose 30 places. The exchange intends to ensure an appropriate spread of representation and plans that the new council will be in place by June 1987.

The large outside financial groups now moving into the exchange, either by acquisition of firms, or by seeking individual corporate membership, will gain more influence through participation on a range of standing committees.

Executive and rule-making powers would in effect be delegated to the committees by the council. The council would have representation on the committees and practitioners from various firms, including newcomers, would be co-opted on to the committees.

Some of the moves will need amendments to the exchange's principal constitutional document, the deed of settlement, and will have to be put to a vote. A 75 per cent majority might be required on important issues.

Last night there was some discontent among smaller firms on the exchange. "If it is seen as a step which disenfranchises the members, the exchange will have trouble," said one member.

Editorial comment, Page 18; Feature, Page 19; Paris bourse rule change, Page 21; Business law, Page 29.

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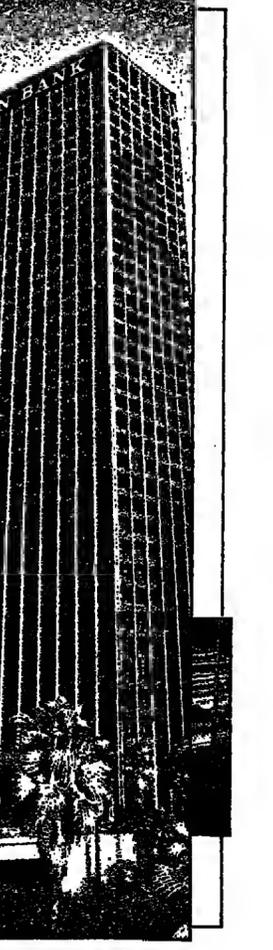
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EUROPEAN NEWS

**Cheysson promises talks with Argentina**

By Quentin Peaf in Brussels

THE DISPUTE between Britain and Argentina over the Falkland Islands remains a legal, but not necessarily a practical, block to closer co-operation with the European Community, Mr Claude Cheysson, the European Commissioner responsible for relations with Latin America, said yesterday.

He ruled out any early prospect of a new formal co-operation agreement between the EEC and Argentina because of the latter's restriction on trade links with the UK. But he promised continuing dialogue and frequent meetings on commercial, economic and political relations.

Mr Cheysson, the former French Foreign Minister, was speaking at a day of talks with Mr Dante Caputo, the Argentine Foreign Minister, in Brussels.

Apart from the Falklands dispute, the two sides remain opposed on questions of agricultural trade - the issue on which the last co-operation agreement was broken off by Argentina in 1980, two years before the Falklands conflict.

Mr Caputo said that in spite of the differences, "they should not conceal the fact that we do have common interests."

His visit was of "great importance," and he stressed the need to "maintain a political dialogue with the Community."

Mr Caputo said the Falklands dispute was a bilateral matter which had to be settled with the British Government. He simply repeated the outcome of the United Nations' vote in favour of re-opening negotiations, in which several EEC member states voted against the British rejection.

**Shultz follows Howe to Athens for discussions with Papandreou**

BY ANDRIANA IERODIACONOU IN ATHENS

SIR GEOFFREY HOWE, the British Foreign Secretary, and Mr George Shultz, the US Secretary of State, will pay official visits to Athens within a few days of each other for talks expected to concentrate on Cyprus, the EEC, Nato, East-West relations and the controversial issue of US bases in Greece.

Sir Geoffrey, who will be the first British Foreign Secretary to visit Greece since 1944, when his predecessor Anthony Eden flew with Winston Churchill to Athens for an attempt to damp down the burgeoning Greek civil war, will be the first to arrive today for a three-day visit.

The Foreign Secretary's talks with members of the Greek Government tomorrow will include a meeting with Mr Andreas Papandreou, the Prime Minister.

More drama surrounds the visit of Mr Shultz, who is due to arrive on Monday for another two full days of talks.

The original idea was that the US Secretary of State should pin Mr Papandreou down on what will happen to the four military bases after 1988, when the five-year defence and economic co-operation agreement signed with the Greek Socialist Government in 1983 runs out.

Recently, however, the Greek Prime Minister warned Washington strongly not to press for a "yes" or "no" answer on the

bases so early, hinting at the same time that he would be willing to begin negotiations to extend them a little closer to the 1988 deadline.

Whether Mr Shultz will try to force a showdown on the bases is the question being hotly debated in Athens.

The two foreign secretaries can be expected to broach some subjects in common during their visits. Both are expected to stress the importance of continued co-operation against terrorism. The British and Americans say that, since the disastrous summer and autumn of 1985, which saw two air hijackings from Athens and the bombing of a Cypriot beach hotel full of British tourists,

Greece has opened the door to an unprecedented way to security co-operation. Follow-up measures will be discussed and encouraged.

Both men are also expected to dwell on the need to normalise Greece's role in Western economic and military organisations, which has been an uneasy one since the Socialists came to power on an anti-EEC and Anti-Nato platform in 1981.

They are expected to lobby for an easing of tension between Greece and Turkey in the cause of Nato unity, through the start of a political dialogue between Athens and Ankara. Britain and the US are particularly anxious to see an

end to the Greek boycott of alliance exercises in the Aegean and to revive plans to set up a new Nato headquarters in northern Greece which have been held up by Greek-Turkish differences on the sharing of operational control.

This will lead inevitably to a discussion of Cyprus. Mr Papandreou has linked the start of a dialogue with Ankara to the termination of Turkey's 11-year military occupation of north Cyprus. Much ink has been spilled in both the Greek and Turkish press in speculation about whether Britain and the US might be ready to assume the role of honest broker and whether Sir Geoffrey or Mr Shultz might

pull a "package deal" on the Aegean and Cyprus problems from their briefcases.

However, that seems unlikely: British and American officials say there is no change in their present policy to treat the Greek-Turkish quarrel as a bilateral one which the two sides must be encouraged to settle on their own.

The official line is that London and Washington both support mediation efforts by the United Nations Secretary-General, Mr Javier Perez de Cuellar. These are expected to yield the third draft settlement plan for the island since January, 1985, at the end of March.

**Warning by Britain on US flight regulations**

By Walter Ellis in London

BRITAIN yesterday threatened a squeeze on American airlines operating in the UK unless the US authorities acted to end alleged discrimination against foreign competitors operating the lucrative North Atlantic routes.

The threat comes against the background of Anglo-American talks on aviation issues, due to be resumed this week in New York.

Mr Michael Spicer, the Aviation Minister, told the American Chamber of Commerce in London that it was "deplorable" that actions and attitudes in the US had forced the UK Government last week to postpone its promised privatisation of British Airways.

In the course of an unusually hard-hitting speech on the eve of important negotiations, he said US airlines were increasingly monopolising traffic operating in and out of their "home" airports and thereby denying European airlines free access to the American domestic market - the biggest of its kind in the world.

He also repeated the Government's claim that application of American anti-trust legislation to foreign airlines represented an unreasonable threat to their operations.

Four years after the collapse of Laker Airways, with all its attendant litigation, the possibility of future court actions made it extremely difficult to write a prospectus for British Airways that could be marketable in the UK.

"One of the fundamental rules of international aviation is that competition must be fair and equal," Mr Spicer told his audience - made up mainly of American and British businessmen. "On the Atlantic [route] it is not."

On anti-trust, Mr Spicer said it was unacceptable to Britain that the US should permit the unilateral application of its anti-trust law and its courts - including the claimed jurisdiction over persons and documents in the UK - to judge the legitimacy of fares by different criteria, and potentially to award big treble damages against the airlines that charged them.

Faced with these difficulties, the Government was doing what it could to rectify the "competitive imbalance."

"But we are not making much progress. The only practical means we have to protect our airlines, which are perfectly competitive in terms of price, performance, and profit, from being progressively forced out of UK-US routes, is to exercise some restraint on the capacity of US airlines."

The minister warned of "very serious damage to our airlines" unless some sort of relationship could be established between demand and seats offered.

The Anglo-American air market is regulated by a bilateral air services agreement known as Bermuda Two, dating from 1977.

The capacity control annex of the agreement expires in July and, according to the minister, the continuation of an agreed mechanism for preventing excessive capacity on the Atlantic routes is essential.

**EEC aims to lift TV barriers**

BY OUR BRUSSELS CORRESPONDENT

THE EUROPEAN Commission yesterday finalised its plans to open up the television market in the EEC and break down the national barriers to cross-frontier broadcasting.

The aim is to set minimum acceptable standards for all the member-states so that television viewers will be able to receive programmes from any other Community country.

It seems certain, however, to run into fierce resistance from many of the EEC governments and state broadcasting concerns, which are worried at the loss of national control over television standards.

The plans were presented yesterday by Lord Cockfield, the British Commissioner responsible for the internal market, as "the minimum regulatory system we think will be acceptable to all the member-states."

The aim was to provide a liberal system "to encourage the utmost freedom" of broadcasting coinciding with the spread of cable and satellite TV.

Key provisions in the draft directive include:

- A maximum of 15 per cent broadcast time allocated to advertising.
- At least 30 per cent of non-news programmes made in the EEC, rising to 60 per cent.
- A ban on tobacco advertising and strict rules on liquor advertising.
- Limits on the use of copyright to prevent cross-border transmissions, but guarantee of adequate payment.
- Common standards for satellite transmissions - the so-called MAC-PACT family including both C-MAC and D2-MAC.
- Finance and encouragement for independent European programme makers.

Lord Cockfield rejected any suggestion that the plans would impose stricter standards on individual national channels, pointing out, for example, that the minimum level of European programmes was 30 per cent for all member-states already.

Individual EEC countries would be free to maintain higher (or lower) standards on their own channels, he said, such as stricter controls on advertising time.

However, they would not be able to refuse transmission of other EEC stations, provided they complied with the Community standards.

The main battle within the Commission was over the amount of time to allocate to advertising, with Lord Cockfield pressing for a higher level of 20 per cent while Mr Carlo Ripa di Meana, the Italian-Commissioner responsible for culture, wanted it cut to 10 per cent.

The 15 per cent solution was a straight compromise.

Lord Cockfield said the Commission wanted to encourage European programme making.

Fiercest resistance to the plan is likely to come from Denmark, where no advertising is allowed on television, and from state broadcasting monopolies.

**Craxi coalition shows strain of two and half years in power**

BY JAMES BUXTON IN ROME

MR BETTINO CRAXI, Italy's Socialist Prime Minister, yesterday began talks with his coalition partners aimed at deciding the future of his government, which has now lasted longer than any other in Italy's post-war history.

Although Mr Craxi's personal position is strong, his five-party coalition of Christian Democrats, Socialists, Republicans, Social Democrats and Liberals is disunited and lacking in purpose. This is a direct consequence of the fact that it has been in existence for more than two and a half years.

The Government has achieved many of the easier objectives in its programme which was drafted with a relatively short-lived government in mind. The longer it has lasted, the greater has grown the discontent of those MPs, principally the large Christian Democrat party, who were not given ministerial office when they were in existence in August 1983.

This discontent overflowed earlier this year when Parliament was considering the

Finance Bill. Christian Democrat MPs again and again used the secret ballot procedure to ally themselves with the Communist and neo-Fascist opposition and bring the Government's defeat.

The questions of drafting a new programme and reshuffling the cabinet to bring in new faces is inextricably interlinked with the question of how long Mr Craxi remains Prime Minister.

Mr Ciriaco De Mita, the Christian Democrat leader, is said to have agreed with Mr Craxi when he took office that the Socialist leader would remain Prime Minister until about half way through the present parliament. That point has now been reached. The last date for the next general election is July 1985.

Mr Craxi, however, is determined to stay at Palazzo Chigi, the Prime Minister's residence, and Mr De Mita appears to be in little hurry to evict him. For one thing he would have no good public reason to do so: Mr Craxi's prestige is high and the fall in the oil price and the dollar have greatly

improved Italy's economic prospects for this year.

For Mr De Mita there would also be the tricky question of finding a role for Mr Craxi if he were no longer Prime Minister. The Christian Democrat leader is aware, too, that his party has actually benefited in electoral terms while Mr Craxi has been Prime Minister.

However, strong as the case might be for leaving things as they are, Mr De Mita must face the fact that the Christian Democrat Party congress, which he is relying on to give him a new mandate as party leader, he would probably prefer to grant Mr Craxi only a provisional extension of his lease on Palazzo Chigi, with strict guarantees of hand-over to a Christian Democrat well before the end of the present parliament.

Mr Craxi, on the other hand, insists that there is no reason for him not to serve a full term.

If agreement can be reached over the next few days, the coalition partners will also have to decide how to stage a reshuffle of the Cabinet and what to put in the new government programme.

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**Palme suspect released**

By David Brown in Stockholm

THE SWEDISH police have released the man charged earlier this week in connection with the assassination of Prime Minister Olof Palme.

Mr Hans Holmér, Stockholm's police commissioner, said that an essential piece of evidence had proved to be groundless.

He also revealed that another suspect, an acquaintance of the man now freed, would also be released. He has been detained since Monday for illegal possession of weapons.

The 32-year-old Swedish man, who maintained his complete innocence, was to have appeared in court today on further charges, and elaborate measures were planned to ensure his security after his identity became widely known.

His name and photograph were published in the Swedish newspaper, Arbetet, breaking a domestic code of press ethics, following a similar move by foreign news organisations.

The news of the man's arrest last week came as a surprise following earlier open speculation by the police commissioner that the murderer was "probably a professional assassin" backed by a powerful organisation.

The police appear now to be without any strong suspects in the case. Mr Palme was murdered as he walked home with his wife from a Stockholm cinema on February 28.

**Bonn and US sign basic accord on SDI participation**

WEST GERMANY and the US have reached basic agreement on a pact governing West German participation in President Reagan's Strategic Defence Initiative (SDI) programme and hope to seal an accord next week, Renter reports from Grafenwoehr.

Chancellor Helmut Kohl told a joint news conference after talks with Caspar Weinberger, the US Defence Secretary, that "basic problems have been cleared away" with regard to Bonn's role in the so-called Star Wars project. Mr Martin Bangemann, the Economics Minister, is to go to Washington next week to conclude talks.

Mr Weinberger said: "We have basic agreement on SDI and I'm looking forward to having an agreement completed and signed in very short time."

Mr Kohl said negotiators would draw two parallel agreements in the next few days, both to be signed later by Mr Bangemann.

The agreements are expected to cover Bonn's backing for West German companies taking part in SDI research and the framework regulation under SDI contracts.

Mr Kohl and Mr Weinberger spoke to reporters at the US military base at Grafenwoehr in

Bavaria, where they earlier watched joint German-US military exercises.

Washington has been seeking a strong government accord underlying Bonn's endorsement for the SDI plan to research the feasibility of an anti-missile defence system.

But influential liberals in Mr Kohl's centre-right coalition have held out for a low-profile, commercial pact putting SDI contracts in the overall context of improved high-technology co-operation.

Washington would have preferred the agreements to be signed by Mr Weinberger's West German counterpart, Mr Manfred Woerner, but Bonn apparently refused.

Mr Bangemann has led negotiations on West Germany's SDI role since the cabinet decided 14 weeks ago to seek a role in the controversial \$26bn research project.

Unlike the secret SDI pact Mr Weinberger signed with the British Defence Ministry, Bonn is expected to insist that its agreement be public.

The Kohl-Weinberger talks were seen as a bid to accelerate the negotiations so an agreement could be signed by the end of this month, as predicted by the Bonn Government.

**Poland cuts back on book imports**

By Christopher Bobinski in Warsaw

POLAND'S hard currency payments problems have affected imports of Western journals and books, purchases of which are expected to fall this year to the extent of - among other things - 50 per cent, according to the growing scientific gap between Poland and the West.

Delays with securing cash allocations from the Polish Government this year have meant that only new orders going out and payments outstanding from last year being made.

In the meantime, Western newspapers have disappeared from public reading rooms in major cities and universities. Companies and journalists have had to go without their already much-diminished subscriptions.

Last year Poland spent \$3.3m on 8,332 titles compared with 1980 when \$9.7m was spent on 10,000 titles - and 1974 when a record 12,416 titles were imported.

**UK to outline nuclear arms plan at Nato talks**

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN WÜRZBURG, BAVARIA

BRITAIN'S PLANS to modernise its nuclear deterrent, with the introduction of Trident submarines and new battlefield weapons, will be discussed for the first time in nearly six years by Nato's Defence Ministers when they meet here today and tomorrow.

British officials insist that the full Nato briefing on the UK's deterrent, the first since 1980 when Britain opted to replace the present Polaris nuclear missile system with the £3.8bn (£14.4bn) Trident, will contain no surprises.

Defence Ministers are meeting as Nato's Nuclear Planning Group (NPG) in a regular bi-annual session. Mr George Younger, attending his first Nato meeting as UK Defence Secretary, is said to have felt it appropriate that his colleagues should be brought up to date on Britain's nuclear plans.

However, the timing is seen as significant in two respects. Mr Younger will be able to explain to the meeting why the UK intends to continue modernising its nuclear forces and sees no role for them in the current US-Soviet arms control negotiations, at least until major cuts have been made in super-power arsenals.

The briefing will also enable the UK to explain its role in the moder-

isation of Nato's short-range or battlefield nuclear weapons, which has been the subject of some wrangling within Nato over the past few years.

Detailed plans to reduce these weapons by about 1600 warheads by 1988 and to modernise the remaining 4600 bombs, shells and missiles in the 1990s have been produced by Gen Bernard Rogers, the Supreme Nato Commander in Europe, and has caused some dissonance on both political and cost grounds within the alliance.

Britain is apparently little affected by the first phase of reductions. But plans to modernise the UK's own battlefield weapons, including the possibility of its "free fall" bombs being replaced by missiles, would be involved in a second-stage, more costly update.

The NPG is the most secretive of Nato's bodies with even its agenda remaining unpublished on security grounds.

As the alliance's main forum for discussion of nuclear matters ministers are expected not only to review the latest state of super-power arms control negotiations but also to hear from the US on the progress of its Strategic Defence Initiative research programme.

**Luxembourg defends its satellite**

By David Marsh in Paris

THE LUXEMBOURG Government has made a riposte in a widening battle with neighbouring countries over satellite television broadcasting in Europe.

In an attempt to gain international acceptance for its own satellite television plans, Mr Jacques Santer, the Luxembourg Prime Minister, has told the European Satellite Telecommunications Organisation (Eutelsat) that worries about excessive commercial rivalry from competing systems were groundless.

Mr Santer, in a letter sent last month to the 28-nation body owned by European posts and telecommunications administrations (PTTs), says that the Grand Duchy's satellite - planned to be launched next spring - could even benefit Eutelsat by increasing general demand for TV services.

Eutelsat, of which Luxembourg is a member, launched a campaign against the Grand Duchy's satellite broadcasting plans more than two years ago.



**HIGHVELD**  
STEEL AND VANADIUM CORPORATION LIMITED  
(Incorporated in the Republic of South Africa)  
Registration No. 60/01900/06

**"Highveld Steel achieves excellent export earnings"**

From the review by The Chairman, Mr. L. Boyd.

**FINANCIAL RESULTS**

The financial results for 1985 showed a marked improvement over 1984, owing mainly to an increase in export earnings. The weakening of the rand and a sustained high level of activity in the group's main overseas markets resulted in higher sales of all products. The substantial increase in steel exports, particularly semi-finished products, necessitated the commissioning of the second iron plant from July 1985. Overall, the local steel market was weaker during the year and there was decline in the domestic order load towards the year end.

Earnings per share increased to 58.0 cents compared with 38.9 cents in 1984. The attributable profit was R40 595 000 after providing for net financing charges of R33 690 000, and depreciation of R22 298 000.

Owing to investment and other allowances on capital expenditure, no provision for tax was necessary. The group's deferred tax provision totals R102.3 million, and this should ensure that the tax charge in later years does not absorb a disproportionate amount of income earned in those years.

As stated in the interim report, Highveld acquired the entire issued capital of Rheem South Africa (Proprietary) Limited, and arrangements to convert Transalloys (Proprietary) Limited to a wholly-owned subsidiary company were concluded.

In view of the results achieved, a final dividend of 16 cents per share has been declared. The total dividend is 24 cents a share compared with 17 cents a share in 1984. The group turnover at R662.1 million, and export earnings at R372.5 million were both at record levels. Profit margins showed an improvement over 1984 but continue to be adversely affected by interest charges, scrap mill development costs, commissioning costs of No. 3 iron plant and the competitive markets for steel.

**STEEL**

World steel production in 1985 was slightly higher than in the high growth year of 1984. Production in the United States fell by 4 per cent, although best estimates would indicate that the consumption level remained the same, the difference being made up from an increased level of imports. The key issue in the world steel industry in 1985 was once again the level of imports into the United States. The commitment of the South African Department of Commerce to the terms of the bilateral agreement with the United States Department of Commerce to restrict South African steel exports to the United States to a significantly reduced proportion of apparent consumption compared with the previous year. Notwithstanding the efforts made by the United States Department of Commerce to establish similar bilateral agreements with other exporting countries, steel imports still rose to an all-time high in the middle of the year. By the year end, most bilateral agreements had been finalised, and 1986 should see a more stable US steel industry.

Steel consumption throughout the centrally-planned economies of Eastern Europe has also shown only marginal growth in 1985, whilst the growth in the People's Republic of China has been modest and reportedly inhibited by weaknesses in the infrastructure. In summary, the best estimate of global apparent steel consumption for 1985 is 718 million metric tons in 1984 and the International Iron and Steel Institute forecasts that world consumption for 1986 will be at a similar level.

The highest impact on Highveld's steel export performance was the decline in value of the rand. In recognising that the economic forces determining the value of the rand were of temporary nature, the decision was taken to commission the second iron plant and to develop the group's participation in the world trade in semi-finished steel products.

Economic conditions in South Africa in 1985 were as difficult as in 1984 and preclude the possibility of any improvement in Highveld's domestic sales performance.

**VANADIUM**

After an uncertain start in January 1985, the expected steady strengthening of the vanadium market was evident through the first two quarters of the year. However, the market in the third quarter evidenced the weakness usually associated with the northern hemisphere summer holiday shutdowns and prices softened. The group's sales were therefore cut back in the third quarter and some improvement in volume terms was seen in the fourth quarter. This improvement was not as great as expected, and prices for ferrovanadium and vanadium raw materials remained under pressure throughout the second half of the year.

This pressure in prices was related to the potential for an oversupply situation, but it was equally clear that the problem was exacerbated by manipulative deals of

traders in vanadium materials, by an aggressive protection of market share by some producers, and by inconsistent inventory policies on the part of the steel producers. It remains Highveld's view that the producers and consumers of vanadium materials are best served by a stable price level.

Production of vanadium pentoxide in Finland ceased in 1985 and the roasting facility at Arkansas in the USA was permanently closed down to allow its replacement by a new solvent extraction process for the recovery of vanadium pentoxide from Venezuelan flexicoke. Neither this new process nor any other capacity from alternative sources is expected to make an impact on vanadium pentoxide availability in 1986. In this respect, the portion of the Chinese production allocated to exports is unlikely to increase significantly while their efforts to utilise vanadium for domestic purposes continue to be a priority.

Consumption in 1986 will in all probability be similar to that of 1985, in line with the general expectation for world steel production. Production should, on balance, remain unchanged or increase slightly, and capacity utilisation, therefore, would increase as a result of the plant closures mentioned above. Prices at which ferrovanadium and vanadium pentoxide are reported to be offered in the major markets are now increasing from the lower level reported at the end of 1985, which should reassure the converters and primary suppliers that the industry can expect returns in 1986 which will relate more sensibly to the cost structure. Against this background, the indications are that consumers can expect a greater degree of stability in prices, with adequate availability.

**Free World Primary Vanadium Pentoxide Capacity, Production and Consumption Balance**

	Million lb vanadium pentoxide equivalent		
	1985 production estimate	1985 capacity estimate	1986 production estimate
South Africa	57	55	60
North America	10	40	8
Western Europe	7	7	4
Others	2	2	2
Total	76	104	74
China	10	not known	12
Total	86		86
Consumption (estimated)	88-92		88-92

**INFLATION**

Apart from the political situation, the inflation rate remains the biggest problem facing South Africa's industry. The statement by the Government early in 1985 that a concerted effort would be made to bring the South African inflation rate under control gave some cause for hope. However, this did not eventuate, and in fact the inflation rate reached a new record level of 35.5 per cent at the end of December 1985. The disparity between the South African inflation rate and that of its major trading partners is of great concern and, if allowed to continue, will soon negate the temporary export advantages arising from the weak rand, and will result in South African products being uncompetitive overseas.

**OUTLOOK**

The future is uncertain, and so much depends on how far South Africa progresses on the road to reform, both politically and economically. Real progress was made in 1985, but many of the major reform issues were debated without resolution. The State President's speech at the opening of the current session of Parliament was positive, but it is vital that action follows the words during 1986 in order to ensure a prosperous future for all South Africans.

It is therefore particularly difficult to make specific predictions, but some recovery in the domestic economy is expected in 1986 and, on balance, the overseas steel markets are likely to be at a similar level to 1985. With the closure of vanadium operations mentioned earlier, the market for the corporation's vanadium products is likely to be maintained. The international supply/demand situation with regard to ferro-alloys will result in further pressure on prices, but it is expected that participation in this market will not be reduced in the current year. Provided the overseas market for billets is maintained, and as long as any upturn in the rand is matched by increases in dollar prices, it is expected that the iron and steel plants will continue to operate at near capacity during 1986. Consequently, earnings in 1986 are expected at least to equal those in 1985.

The annual general meeting will be held at 44 Main Street, Johannesburg, on 9th May, 1986.

OVERSEAS NEWS

Japanese electricity industry to lift spending by 14%

BY JUREK MARTIN IN TOKYO

JAPAN'S nine electric power companies announced yesterday that they planned to increase capital spending by about 14 per cent in the fiscal year starting next month.

The increase in spending—from an estimated ¥3,040bn (£11.5bn) to about ¥3,460bn—would, according to the industry association, help spur domestic demand and thus contribute to the government's pending reflationary plans.

Yesterday's announcement, however, is not as simple as it appears. A fierce tug of war is developing inside government and industry over how best to deploy the clear benefits the nation is enjoying from cheaper oil, brought about both by lower Organisation of Petroleum Exporting Countries prices and a strong yen.

The Ministry of International Trade and Industry (MITI) has estimated that the utility companies could reap as much as ¥2,000bn in windfall profits over the current and next fiscal years, with almost all the gain accrued in fiscal 1986-87.

Two leading claims have already been advanced on this windfall. The first, associated with the Foreign Ministry, is that it should be used to bolster Japan's foreign aid programme.

The second, and probably

The US dollar rebounded against the yen in Tokyo yesterday largely on the strength of the market's conviction that the Bank of Japan had intervened in New York on Tuesday to prop up the US currency, Jurek writes. Mr Satochi Sumita, governor of the central bank, flatly refused to confirm or deny that intervention had taken place, but the tenor of his remarks at a press conference was such as to persuade dealers that it had. The dollar closed at ¥176.80, up 1.90 on the day, on heavy spot volume of over \$5bn. Mr Sumita suggested that the US monetary authorities agreed with the Bank of Japan's assessment that the dollar had fallen too far and too fast against the yen.

most influential, comes from industry and its allies in government. Yesterday, the Keidanren, the employers' federation, issued a paper calling on the utility companies to bid both industrial and individual consumers by cutting rates sharply. Mr Michio Watanabe, the Minister of International Trade and Industry, had earlier called for lower rates.

Curfew imposed in Sabah city

By Wong Sulong in Kuala Lumpur

A DUSK TO DAWN curfew has been imposed in Kota Kinabalu, capital of the East Malaysian state of Sabah, following riots by Muslims yesterday in which two people were killed and another dozen injured.

Police opened fire at the 2,000 rioters, who had attacked them with stones and other weapons and had set fire to buildings and cars.

The rioters had marched from the state mosque, which they had occupied for the previous few days, to the city centre, chanting religious slogans, and protesting against the continued rule by the Christian-dominated Government, which they say is illegally constituted and anti-Islamic.

A 40-year-old Filipino was shot dead, and a 14-year-old Chinese schoolboy was killed by a car.

The rioting was the worst incident of violence since Moslem opposition groups mounted a campaign to dislodge the state government last week. Since the campaign began five people have died.

Mr Haji Moulana, the Sabah police chief, said 30 shops and an equal number of cars were gutted in fires yesterday.

The Moslem agitation is aimed at preventing state elections and provoking the federal government in Kuala Lumpur into imposing emergency rule.

UAE plans scheme for banks' bad debts

BY KATHY EVANS IN DUBAI

THE United Arab Emirates Government is considering the establishment of a financial entity to take over the country's non-performing bank loans, according to a leading Abu Dhabi banker.

Sultan Nasser al Swaidi, managing director of the Abu Dhabi Commercial Bank, said the private sector was lobbying for the scheme, whereby the Government would buy banks' bad debts and reschedule them over a long period at soft rates of interest.

Private sector indebtedness is a growing political problem for the UAE leaders who, as ruling sheikhs, have a tradition of generosity towards their people. However, the sums involved in bank indebtedness would considerably stretch the financial resources of some of the emirate governments, given the oil price fall and the history of budget deficits.

The idea is believed to have emerged from the committee of senior sheikhs established recently by the Supreme Council of Rulers to study ways to consolidate the economy. It is not clear whether only the local banks would benefit from the scheme, or whether the foreign banks represented in the country would also be able to join.

The idea of a financial "dustbin" is not new, and is being considered by a number of Gulf countries as a way to lessen the impact of bad debts on the banks and local merchants.

So far none have been created, largely because of the amount of government money required. In the UAE, non-performing

loans are generally estimated to be between \$2.7bn (£1.5bn) and \$3.2bn, or a quarter of the \$11.9bn bank credit in the country. Some bankers say as much as 40 per cent of credit is non-performing.

The Abu Dhabi Commercial Bank is likely to be one of the main beneficiaries of such a scheme, local bankers believe. The bank was formed last year following the merger of three banks, two of which were said to be ailing.

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Philippines cabinet split on form of government

By Samuel Semoren in Manila

PHILIPPINES President Corason Aquino is facing a major dilemma over what form of Government to adopt in running her debt-ridden nation.

A meeting of cabinet members yesterday to discuss the governmental structure was hopelessly divided on the issue.

However, they agreed to cut petroleum prices by the equivalent of about 2.5 US cents per litre to give industries a breathing spell. This will mean a loss of \$140m (£96m) in indirect taxes which Mrs Aquino hopes to recover in direct taxes from revitalised businesses.

Hardliners in the cabinet, led by Mr Jaime Ongpin, Finance Minister, wanted Mrs Aquino to declare a revolutionary government so that she would not be bound by existing constitutional and legal limitations which could hinder efforts to rebuild the economy and improve public service.

But politicians who are members of parliament favoured a structure that would make the government constitutional and recognise parliament.

As a trade-off, parliament, whose members agreed to support Mrs Aquino, would nullify its previous proclamation declaring deposed president Mr Ferdinand Marcos as the winner of the February presidential poll and declare her the victor instead.

Mrs Aquino, palace officials said, is inclined to convene parliament and call a constitution later to rewrite the constitution.

Mr Teodoro Locsin, the information minister, said in a statement that Mrs Aquino would announce a decision next week.

Some politicians argued that a declaration of a revolutionary government would give Mr Marcos an excuse to set up a de jure government-in-exile.

Mr Marcos, who fled with his family to the US last month, has remained sequestered at the Hickham air base in Hawaii but has been in touch with former officials of his government in Manila.

Economic crisis 'may draw Syria into war with Israel'

BY ANDREW WHITLEY IN TEL AVIV

SYRIA IS on the brink of an economic crisis which may draw it into a war with Israel, Mr Yitzhak Rabin, the Israeli Defence Minister, warned yesterday.

But Syria's leaders were deluding themselves if they thought they could defeat the Israeli army.

Mr Rabin told the Knesset that Syrian foreign exchange reserves were down to the equivalent of 20 days' imports, and that power cuts in major cities were occurring almost daily.

Two bellicose speeches by Syrian President Hafez al-Assad earlier this month, in which he said the Israeli-occupied Golan Heights would

one day be at the centre of an enlarged Syria, are being taken seriously by Israeli politicians and military analysts.

Senior officials spoke privately on Tuesday about the worrying implications of the massive Syrian military build-up of the past few years. "It's not a question of if, but when, the Syrians attack," one well-placed official said.

But in recent days government ministers have gone out of their way to calm public fears sparked by Syrian claims that it is approaching its long sought goal of military parity with Israel — and is thus in a position to launch a war on its own.

Western consortium strikes oil in Egyptian waters

BY TONY WALKER IN CAIRO

A CONSORTIUM of Western oil companies, including Total of France and British Petroleum, has made a promising discovery in Egyptian waters adjacent to Israel.

An exploration well completed last month off North Sinai yielded flows of between 5,000 and 10,000 barrels a day.

Other partners in the consortium are Agip of Italy and Elf Aquitaine of France. Drilling took place in about 140 metres of water. There are plans for further exploration.

The North Sinai waters are relatively new territory for oil explorers. If the Total-led consortium has found a commercial prospect, it is likely to encourage further efforts in the area.

BP drilled a well in an adjacent block about the same time as the Total discovery, but it was dry.

In another development, Egypt has announced it is scaling down its planned nuclear programme from eight reactors to four by the year 2005.

The fate of a proposed nuclear power station on the Mediterranean coast near Alexandria is in the balance. Egypt has extended the validity of the bids from February to mid-year, ostensibly to give the contenders an opportunity to improve their offers. But there are indications in Cairo that the project may be shelved.

Australia to act on US air deal

BY PATRICIA NEWBY IN MELBOURNE

AUSTRALIA is to ask the US to renegotiate the 40-year-old air services agreement between the two countries following United Airlines' takeover of Pan Am's Pacific routes.

Qantas, the Australian national carrier, has long felt that it is disadvantaged against US carriers.

Mr Peter Morris, the Australian transport minister, said the arrival of United on Pacific routes last month has made it "timely" to look at correcting the imbalances that have developed in arrangements with the US.

United has already fired its first salvo by more than matching discount fares offered by Qantas for children under 16 travelling to the US.

Mr Morris said the US had much more generous rights to fly via Australia to other countries compared with Australia's rights to offer routes via the US.

Although Qantas has experienced network-wide traffic growth during the past year, the most rapid expansion has been on services to Japan and the US.

From April 1, Qantas will introduce three new weekly services between Australia and Tokyo, increasing the number of seats available on the route by 25 per cent.

If a new air services treaty is reached with the US, Qantas will also be looking to increase services to North America.

The French champagne house Piper-Heidsieck is considering a joint venture arrangement with the privately-owned South Australian wine company, Thomas Hardy and Sons to produce a new méthode champagne-style wine in Australia.

Peking faces water rationing

PEKING will have to impose water rationing and close factories if it cannot find new sources of supply by 1988, the China Daily said yesterday, Reuter reports from Peking.

The newspaper said waste and overuse of Peking's water since 1949 had lowered its underground water table by 20 meters and dried up half its wells.

It said Peking is one of 180 Chinese cities with water problems. Two large reservoirs in the north of the capital were only 25 per cent full because of drought in Hebei and Shanxi provinces.

The paper urged industry to improve drastically its recycling of waste water. To make a tonne of steel, Chinese factories use more than twice as much water as Western plants.

Bombay poor find harsh reality

IN THE minds of millions of poor peasants the streets of Bombay — India's business and movie capital — are paved with gold, Reuter reports from Bombay.

But the reality which greets the 500 families a week who flock to this Arabian Sea port is that the pavements are covered with thousands of job-bunters like themselves.

Farmers, labourers, hawkers and drifters pour into Bombay every day underlured by the prospect of eviction by city authorities and exploitation by underworld gangs.

Overnight, flimsy shelters of plastic and sacking draped over poles spring up on sidewalks and open land. Shanties stand alongside foreign beggars and five-star hotels. Entire

families set up home in concrete water pipes that are waiting to be laid along the main airport road.

Bombay has wealth, it has Hollywood glitter but it does not have land — at least in the right places.

Rents for commercial and residential property on the peninsula which forms the port are as high as those in New York or Tokyo, according to real estate agents.

Property prices have rocketed during the 1980s as India's economy opened up to outside trade.

Newly arrived foreign banks and companies seeking accommodation for staff have given a further twist to the price spiral.

Some owners even prefer to leave their properties empty and avoid problems with tenants, believing they will make a fortune anyway

when they sell, the agents said.

Whole apartment blocks stand vacant as city bulldozers flatten butts and police hold back angry squatters under a scheme to evict an estimated 200,000 pavement dwellers.

The city's right-wing council, elected last year, vowed to end the migration which has swollen the population to nearly 9m, making Bombay India's second largest city after Calcutta.

The squatters' fate was sealed last July in a landmark ruling by the Supreme Court which upheld the municipality's right to raze the slums and shift migrants outside the city.

The squatters are placed on land up to 40km (25 miles) outside the city. Inevitably, many drift back,



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# AMERICAN NEWS

## Marcos documents 'show contributions to US presidents'

BY REGINALD DALE, US EDITOR, IN WASHINGTON

DOCUMENTS brought to the US by the fleeing former President Ferdinand Marcos of the Philippines appear to contain a plan to make contributions to the 1980 election campaigns of both President Ronald Reagan and former President Jimmy Carter, according to Congressional sources and Philippines officials.

Congressional leaders, however, were yesterday doubtful whether the plan had actually been carried out, and the White House denied that Mr Reagan had received any campaign contribution from Mr Marcos. Such payments would be illegal under US law, which prohibits foreigners from contributing to an American election campaign.

The 2,300-odd pages of documents, handed over in Washington to the new Philippines Government on Tuesday, included a single one-page balance sheet showing \$50,000 earmarked for the campaigns of both Mr Reagan and Mr Carter, and smaller sums for other politicians, including liberal Democratic Senator Alan Cranston of California, one of Mr Marcos's most outspoken opponents.

Democratic representative Mr Stephen Solarz of New York, the chairman of a house sub-committee investigating Mr Marcos's financial affairs, said that he was "very sceptical" whether the payments had actually been made. "It's very

hard for me to believe that President Reagan or President Carter would knowingly accept a contribution that clearly would have been in violation of federal law," he said.

A White House spokesman said: "We presume it's not true, given the screening mechanism of our campaign and screening by the Federal Election Commission. Such a deception would have been detected." US law also prohibits individuals from giving more than \$1,000 to a presidential election campaign, and even that is only permissible during the primaries.

The documents also listed kickbacks, or "commissions," paid to top Philippines officials by Japanese and American companies, including \$5m by Westinghouse in the award of a nuclear power plant contract, according to Mr Sotelo Salonga, the head of the Philippines Government commission investigating Mr Marcos's hidden wealth. Westinghouse has consistently denied any wrongdoing in the affair.

Mr Salonga, who received the documents from the State Department on Tuesday, declined to draw conclusions about possible election contributions. "The trouble with that document is that there is no signature or initial on it," he said.

The list of contributions has been referred to the US Justice Department for further investigation.

## US warships exercise near Libya 'death line'

US WARSHIPS led by aircraft carriers began exercises yesterday in the Mediterranean off the north coast of Libya near the disputed waters of the Gulf of Sirte. Reuter reports from Washington.

Mr George Shultz, Secretary of State, and the Defence Department, refused to say whether any ships or aircraft from the Sixth Fleet task force would cross a "line of death" drawn over the mouth of the Gulf by Muammar Gaddafi, Libya's leader.

However, Mr Shultz said America must assert its right to sail in international waters, including the Gulf.

"When we are in international

waters, which we have a perfect right to be in, we cannot allow countries arbitrarily to tell us to get out," he said in a television interview.

Col Gaddafi claims the Gulf as part of Libya.

CBS News reported on Tuesday night that the task force, led by the aircraft carriers Saratoga, America and Coral Sea, would send aircraft into Gulf air space.

Two US F-14 aircraft based on carriers shot down two Libyan warplanes that challenged them over the Gulf in 1981.

President Ronald Reagan was reported yesterday to have played down the significance of the exercises.

## NYC sells investments linked to S Africa

By Terry Dodsworth in New York

NEW YORK'S largest public employee pension fund is to begin selling investments in companies doing business in South Africa as part of the anti-apartheid policy which has been widely endorsed by the city authorities.

The decision follows a lengthy appraisal of the divestment policy by the trustees of the fund, the New York City Employees Retirement System.

They initially voted to divest about 18 months ago, but since then the plans have been held up for an examination of whether they were financially and legally sound.

"This vote sends a clear message that New Yorkers consider apartheid to be a reprehensible system of government which cannot be reformed and must be eradicated," Mayor Ed Koch said after the decision.

New York has been one of the leaders in the widespread move by US cities and public authorities to divest stock in corporations conducting business in South Africa.

According to the Washington-based Investor Responsibility Research Centre, the employee retirement system is the largest fund so far to send a signal to the South Africans.

Under the plan adopted by the trustees, the pension fund will liquidate holdings over a five year period in all companies operating in South Africa except those giving "substantial assistance" in fighting the country's racial separation system.

In the initial phase, however, it will only divest shares worth \$150m in companies doing business with the South African military and police, or providing financial services to the Government, or refusing to sign the Sullivan principles.

Officials said that the employee system has holdings in 22 companies falling into this category, although they refused to name the specific corporations. Total value of the fund stands at around \$11bn, with about \$3.7bn invested in stocks, and \$900m in 150 US companies active in South Africa.

## The Reagan campaign against the Sandinistas is nearing a climax, reports Reginald Dale Rhetoric brings Nicaragua closer to home

HARLINGEN, Texas, is just under 19 miles from the Mexican border. It is also, according to President Ronald Reagan earlier this month, "just two days' drive" from Nicaragua.

The local inhabitants dispute that. From Harlingen, in the southern-most tip of the United States, it is over 2,000 miles by not very good roads to Managua, with plenty of mountains on the way. Experienced lorry drivers take three to four days.

Perhaps somebody pointed this out to Mr Reagan. For on Sunday night, in his nationally televised appeal for military aid for the Nicaraguan Contra rebels, two days' driving time became two hours' flying time.

However it is not, the point is the same. Mr Reagan sees what is happening in Nicaragua as a special kind of threat to the US because the country is on the mainland of America.



To some Administration officials, in a sense that makes it even more dangerous than arch-enemy Cuba. An island is at least susceptible to an American naval blockade, as the history of the 1962 Cuban missile crisis demonstrated.

Mr Reagan has never made it a secret that he sees it as one of his historic and personal obligations to halt the rise of communism in Central America. He believes that he is well on the way to doing so in El Salvador. In his Sunday night speech, he stated quite openly that he did not want to leave an uncontained communist

threat in Nicaragua to his successor.

On many occasions in the past 10 days, Mr Reagan has tried to place what he appears to regard quite genuinely as his role in history above the realities of Washington politics. Fighting for his plan to give the Contras the modest sums of \$100m, of which \$70m would be in military aid, he has unashamedly pulled out all the stops. In the eyes of his critics, he has exaggerated the threat of all proportion.

He has talked as if San Diego in southern California were in imminent danger of invasion by Nicaraguan communists. He has described Nicaragua, with a population of little more than 1 per cent of that of the US, as a Soviet beachhead that will threaten the whole of Central and Latin

America, the Panama Canal and the Caribbean sea lanes. He has denounced the ruling Sandinistas as drug runners and terrorists.

At the same time, he has landed the controversial Contras, frequently accused of atrocities by American human rights organisations, as the purest of white knights. The "freedom fighters," as he prefers to call them, are the equivalent of America's founding fathers, the British fighting the Nazis under Winston Churchill and the French Resistance (he is apparently unaware that large sections of the Maquis were communists).

Mr Reagan's rhetoric has escalated the debate into one of the harshest during the more than five years that he has been in the White House. But there has been hyperbole on both

sides. Commentators have helped to raise the temperature by describing it as the bitterest foreign policy argument since Vietnam.

The debate is not in that league. Unlike Vietnam, all the polls show that the American people as a whole are largely unmoved by events in Nicaragua and the plight of the Contras—and a majority are against helping them. Vietnam, however, has been brandished by both sides as they attempt to prove their points in Washington.

To many Democrats, the lesson of Vietnam is that gradual involvement in a Third World conflict will ultimately lead to the dispatch of American troops and the deaths of young Americans in a futile cause.

To the Democrats' outrage, some of Mr Reagan's advisers have tried to turn the issue into a simple question of do you or do you not support communism: "yes or no?" Democratic anger reached fever pitch earlier this month when Mr Patrick Buchanan, the right-wing White House communications director, wrote an article in the Washington Post suggesting that anyone who opposed aid for the Contras must be a supporter of the communist Sandinista regime.

Most leading Democrats have found themselves obliged to agree with the President that there is at least some kind of communist threat in Central America, and quarrel only with

his proposed military solution. Some Democrats have pointed out that the Contras have little hope of victory, even with \$100m in American aid.

Few people, however, have drawn attention to the cynicism of a policy which seeks to send young peasants to their deaths only to "put pressure" on the Nicaraguan Government—the administration's avowed aim. Mr Reagan has not had much luck with some of his arguments in recent days. He has angered Brazil by suggesting that it is endangered by communist guerrillas trained by Nicaragua. He has been accused of using out-of-date opinion polls to claim that the people of Central America support his policy.

Nevertheless, as the debate began in the House of Representatives yesterday, Mr Reagan was thought to be within ten votes of victory in the key vote scheduled for later today. Both Republicans and Democrats agreed that with one final push, he might just make it.

If he does so, it will largely be as a result of arm-twisting, rather than a genuine conversion of the doubters. As Mr Robert Michel, the House minority Republican leader, puts it, "people just don't get cranked up about this. In my district they're worried about jobs and losing their farms. That's the problem out there in the country." By all accounts, not even the inhabitants of Harlingen, Texas are overly exercised about the Sandinistas.

## Mexico firm on interest relief

BY DAVID GARDNER IN MEXICO CITY

MEXICO WILL continue to press for interest relief on its \$87bn (\$88.9bn) foreign debt in the light of the oil market collapse, according to a senior Government official.

The official, who wished not to be named, also confirmed that Mexico would "of course" seek to have the \$860m principal payment due at the end of this month rolled over.

This payment, originally to have been a prepayment on Mexico's 1983 "jumbo" \$3bn credit renegotiated as part of last year's multi-year re-scheduling of \$48.7bn, has already been rolled over once following the earthquakes which hit Mexico City in September.

The Mexican Government

calculates it will lose about \$60m, or half this year's originally projected oil revenue, as a result of the collapse in international oil prices.

**Sacrifices**

President Miguel de la Madrid announced on February 21 that Mexico would as a consequence be unable to fully service its normal debt obligations, and that the country's creditors would thus have to make "sacrifices at least equal" to the sacrifices Mexicans had made and would continue to make.

Since this major policy directive, however, Mexican officials have appeared to be back-

tracking. The country's new cash requirements for this year have been scaled down to \$6bn from estimates originally as high as \$10bn, while publicly at least, the emphasis has tended to be on conventional means for raising the money, via new loans from commercial banks and multilateral financial institutions, and the restructuring of over \$800m falling due this year with Paris Club creditors.

The senior official nonetheless stated categorically in an interview that Mexico regards some form of mechanism whereby its interest payments are reduced as "essential" in future agreements with its creditors.

## Canada to spend C\$800m on Nasa space station

BY BERNARD SIMON IN TORONTO

CANADA has agreed to spend C\$800m (\$394m) over the next 15 years to participate in the multinational manned space station planned by the US National Aeronautics and Space Administration (Nasa).

Mr Frank Oberle, the Minister of State for Science and Technology, said that Canada would provide a 7,500 kg mobile servicing centre for the station, whose functions would include help in constructing the station, picking up satellites for repairs, and general maintenance.

Mr Oberle said that the contribution to the station would form the centrepiece of Canada's space programme.

The main contractor for the service centre will be Spar Aerospace, the Toronto-based company which has supplied a remote manipulator system, known as the Canadarm, for Nasa's space shuttle programme.

The space station will be equipped with movable cranes similar to the Canadarm.

The Canadian service centre is scheduled to be put in orbit by the second space station shuttle flight in early 1993. However, Nasa has not yet reached agreement with the 11-member European space agency on the laboratory which will form Europe's contribution to the station.

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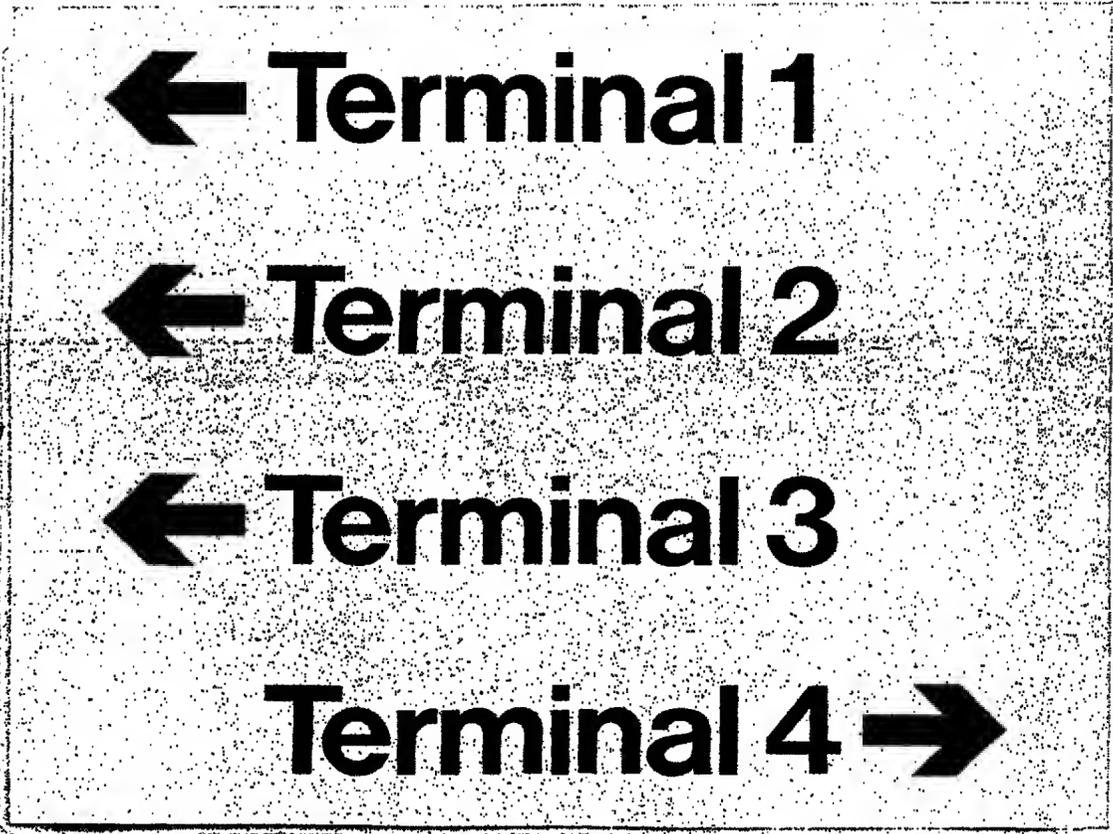
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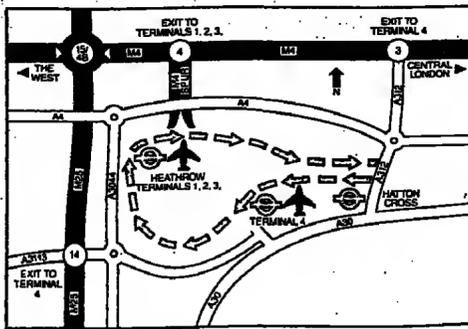
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# WORLD TRADE NEWS

## Louise Kehoe in San Francisco reports on signs of a breakthrough in a long-running dispute US and Japan poised for agreement on semiconductors

THE US and Japan appear to be poised to reach an accord on semiconductor trade. After years of angry accusations and nine months of formal negotiations stemming from a US industry trade complaint, there are signs of a breakthrough which could result in a bilateral trade agreement.

On the two major issues—Japanese market access and alleged Japanese dumping—some progress has been made. US industry leaders are increasingly optimistic that a settlement can be reached within the next few weeks.

Political pressures are mounting in both countries to resolve the long-running dispute. Japanese officials are eager to settle the matter before Mr Yasuhiro Nakasone, the Prime Minister, visits Washington in mid-April. In the US, the Administration needs to act before a protectionist-minded Congress steals its thunder. Haoping over the Reagan Administration, meanwhile, is a July deadline for resolving the US industry's trade complaint. By this date, the US Trade Representative must recommend actions to the President. If no

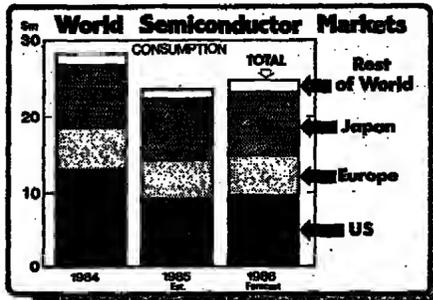
agreement is reached, then the White House faces the uncomfortable prospect of having to impose unilateral sanctions against Japan.

The political momentum behind the semiconductor negotiations is itself beginning to worry US industry leaders, who recognise that the need for an agreement may override the substance of any settlement.

It is also becoming increasingly clear that any agreement between the semiconductor superpowers who together produce more than 90 per cent of the world's supply of chips, will have broad and serious consequences for semiconductor, computer and electronic equipment manufacturers and users all over the world.

A significant increase in the price of chips is widely expected. This trend can already be seen in the US market, where Japanese chip makers are moderating their aggressively low prices to avoid further charges of "dumping." US manufacturers are taking advantage of the situation to raise their prices and profit margins.

But US trade negotiators are



seeking a long-term solution to the dumping issue which goes beyond the imposition of duties such as those announced by the Commerce Department last week. The department imposed preliminary duties of 20 per cent to 188 per cent on Japanese memory chips sold in the US.

Dumping duties do not prevent future dumping, US industry representatives say. "The

Japanese companies may simply choose to regard the duties as the 'cost of doing business' and continue to dump until the US industry is driven out of business," says Mr Michael Gadbow, legal counsel for the Semiconductor Industry Association, which represents US chip makers' interests.

"Dumping duties are like parking tickets," he suggests. "They really don't stop some-

body parking illegally if he can afford to pay the ticket. What we really need is the equivalent of a tow-away zone. That is the only thing that will get the attention of the Japanese."

The US and Japanese negotiators now seem ready to agree that a global price control and monitoring system is needed to prevent chip makers selling their products below cost anywhere in the world. The proposed scheme has however raised grave concerns in Europe, where it is regarded as an example of US extraterritorial activity.

US computer manufacturers are also unhappy. "We agree that a resolution of the trade issue is important, that it is in the best interests of the US electronics industry as a whole but we are sceptical that such measures will work."

IBM, the largest chip purchaser in the world, said that it was against dumping in general, but has "no position" on the Commerce Department rulings. Computer manufacturers are however expected to be more vocal if formal proposals are made.

As the differing interests of

US makers and users of semiconductor devices begin to emerge publicly, the SIA is struggling to maintain a fragile consensus. If different messages go to the Administration about what the solution should be, that could bring progress to a halt, the organisation believes.

US chip makers' demands for greater access to Japanese markets draw support from their customers, many of whom feel similarly excluded. Market access is widely regarded as the most important, and yet the most difficult aspect of the trade dispute. The problem for US trade negotiators has been to come up with a proposal that addresses the US industry's concerns but which is politically acceptable.

Promises of market "liberalisation" from the Japanese will not be enough to satisfy the US chip makers. In the past, such trade policy changes in Tokyo have done nothing to improve sales. The US chip makers are seeking some form of guaranteed market share in Japan commensurate with their share of other export markets such as Europe.

The problem is how to measure progress, the SIA thinks. Measuring market share implies market control, which is contrary to the free trade policies of the Administration. Formal trade negotiations on this issue have resulted in no progress, according to the association.

But at a gathering of US and Japanese industry leaders in Los Angeles last weekend, there were "indications of a sincere effort on the part of the Japanese to address the market access issue," said Mr Charles Spruck, President of National Semiconductors, a major US chip manufacturer, who took part in the meeting.

The details of the meeting remain a closely guarded secret but it is clear that the industry leaders have succeeded where their Government representatives have so far failed in finding common ground.

"I am encouraged by their sincere efforts to address the issues," said Mr Spruck. "But I will become a believer when I see results — when our share of the Japanese market increases."

## Channon urges Tokyo to buy abroad

By Nicholas Colchester

JAPANESE INDUSTRY must integrate foreign manufacturers into its purchasing habits, Mr Paul Channon, UK Secretary of State for Trade and Industry, told a luncheon given by the Japan Association in London yesterday.

Mr Channon argued that a reduction in Japan's mounting trade surplus would not simply benefit Britain but also Japan, because it would help preserve the world free trading system. He expressed concern at the increasing number of dumping cases being brought by the European Community against Japan.

He asserted that the Japanese Government could not respond only with import programmes and with the lifting of trade barriers, welcome though both were.

There had to be a fundamental change in Japan's view of its own role in the world economy.

## Japanese take record 10.6% of Europe new car sales

BY JOHN GRIFFITHS

JAPANESE new car sales in Western Europe last year increased at more than twice the rate of the market overall, reaching another record market share of 10.6 per cent.

Statistics from analysts Automotive Industry Data (AID) are coupled with a warning that "this relentless growth in Japanese penetration, coupled with proposed and actual European assembly plans, means that the problems posed by the Japanese increase

almost daily." They caution that "The Japanese pose a clear threat to the European motor industry, and it will take a co-ordinated European-wide policy before that threat can be lifted."

Japan's car makers sold 1.12m units last year against 1.02m in 1984, when they first breached the psychologically-important 10 per cent penetration barrier with a market share of 10.1 per cent. The 9.5 per cent increase in

unit sales last year compares with a rise of 4.2 per cent in the market overall from 10.1m to 10.52m units. Significantly, says AID, one of the strongest performances was put up in West Germany, which the Japanese regard as their key European market. It has the strongest and most competitive industry in Europe, as well as imposing no import restraints.

"Small wonder then," says AID, "... that they treat their

success in Germany as a major victory and use it as a yardstick to measure their competitiveness in the rest of the world."

Last year, Japan's car makers increased West German sales by 9.79 per cent, against a fall in the country's total sales of 0.61 per cent. Their market share rose to 13.3 per cent from 12.04. This performance was even more daunting, observes AID, because the Japanese were suffering from the theoretical dis-

advantage of having few diesel or low-pollution models available when such cars have been enjoying a sales boom.

The increase accelerated in January when unit sales jumped by 37.1 per cent on the same month a year ago. "The implication from the West German results is that sizeable market gains are available to the Japanese in most European markets, should they choose to turn on the taps as part of their long-term strategy for Europe."

Manufacturer	Year '85	Year '84	% increase
Nissan	298,048	280,283	4.3
Toyota	269,946	224,588	20.2
Mazda	203,045	197,952	2.6
Mitsubishi	113,614	108,952	4.3
Honda	114,004	112,004	1.8
Suzuki	67,986	42,480	13.0
Subaru	39,702	29,949	32.6
Daihatsu	26,781	23,974	26.0
Isuzu	5,720	4,000	33.0
Japanese	1,120,446	1,023,244	9.5

Note: Excluding Greece. Source: Automotive Industry Data

France and Italy, both of which impose tight unilateral restrictions on Japanese imports, will become major tar-

gets when European assembly plants allow the Japanese producers to meet EEC local content requirements, warns AID.

## Daihatsu pact with Peking

DAIHATSU MOTOR of Japan has signed an agreement with Peking to provide technology to manufacture its popular Charade car in China. It will be the first Japanese car to be assembled there, Yoko Shibata writes.

Under the seven-year agreement, China's Tianjin Automobile Industrial will produce cars from next November with Japanese technicians.

The company aims to reach annual output of 10,000 units.

## Toshiba to invest DM 50m in W German VCR plant

BY PETER BRUCE IN BONN

TOSHIBA, the Japanese electronics group, announced in Bonn yesterday that it plans to invest DM 50m (£12.5m) over the next three years in a new plant to build and assemble video recorders in West Germany. The decision probably kills any prospect of Toshiba using their British VCR plant as a source of exports to Europe.

Toshiba said it had found a site near Monchengladbach, near Dusseldorf, the capital of the state of North-Rhine Westphalia which is home to the biggest Japanese community in Europe.

Mr Fumio Ota, a Toshiba main board director and managing director of the group's consumer products division, said

VCR production in West Germany would start in March next year.

Initial output would be around 10,000 units a month, rising to 30,000. Other division products, including, it is believed, compact disc players, would be added to the plant's output.

Mr Ota said he believed the plant would be turning out products worth DM 300m by 1989. The site had been chosen because of its central position in Continental Europe, the market to be served by the new plant.

Toshiba officials were anxious to dampen any fears that the building of a new plant in Europe would threaten the future of the group's VCR assembly plant in Plymouth.

## Washington to seek Swedish steel meeting

By David Brown in Stockholm

WASHINGTON plans to request talks with the Swedish Government on a voluntary restraint agreement to cover Swedish stainless steel exports.

On Monday, the US steel industry agreed to drop its countervailing duty case against the Swedish exporters on the understanding that talks would be begun soon.

About one third of Sweden's SKr 1.5bn (£130m) annual exports of stainless steel go to the US and it is thought that the Government would feel compelled to enter into bilateral talks because of the strong protectionist sentiment in Congress.

The question is expected to be discussed when US and Swedish trade officials meet next.

## US to press Europe over finance for Airbus

BY WILLIAM DULLFORCE IN GENEVA

THE US remains unpersuaded that the launch finance from European governments for two new airlines to be built by Airbus Industrie will be in accordance with international trade agreements, Mr Bruce Wilson, assistant US trade representative, said yesterday.

He will discuss in Geneva over the next two days with French, British and West German government representatives Washington's charges that their subsidies to Airbus are flouting fair trade practices.

The issue, which threatens to develop into another major trade dispute between the US and the European Community, blew up after the Reagan Administration started to review alleged unfair trading by other countries.

The scale of government subsidies to Airbus Industrie, about which Boeing, the US manufacturer, has been complaining, prompted Dr Clayton Yeutter, US Trade Representative, to ask the three European governments for consultations.

The immediate US interest, however, is the \$2.5bn in new money that Airbus is seeking to build two airliners, the A-330 and A-340, for the 1990s.

The European governments will reply with charges that US civil aircraft manufacturers are subsidised by heavy government payments for researching and developing military aircraft.

They are also expected to provide fuller information about Airbus finances in response to US allegations that they are violating the transparency requirements of the General Agreement on Tariffs and Trade (Gatt).

The talks will be informal but the document to which US officials refer as the touchstone for their claims of unfair competition is the 1979 Gatt agreement on trade in civil aircraft, signed by 19 countries, including all those involved in the Airbus dispute.

If agreement could not be reached, Mr Wilson said, the issue would have to be taken to a higher political level.

## France to ask US for facts on Boeing aid

By David Marsh in Paris

MR MICHEL LAGORCE, the French Transport Ministry official representing France at the Geneva talks, is expected to ask the US to "put its cards on the table" over government research and development aid given to Boeing to assist the Seattle company's aerospace programmes.

French officials said yesterday that it was not just a question of finding out who was more guilty—Europe or the US—in the matter of government assistance for the projects. "Everyone has different methods. We need to understand each other's point of view," one official said.

Mr Lagorce, head of the Ministry's civil aviation directorate, will put the French position that aid for the European Airbus consortium is in accordance with 1979 Gatt airliner financing records.

France points out that government funds backing Aero Spatiale, the French partner in Airbus, represents repayable advances.

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Like the answers printed below to the questions above.

Marijuana is the United States' second largest cash crop.

We ran an article highlighting the authorities' difficulty in tracking down the growers, who are believed to

have earned more than \$16 billion from it in 1984.

Burkina Faso (formerly Upper Volta) is yet another African country with a serious food shortage.

On top of this, we reported hostilities with its neighbour, Mali, concerning 125 miles of border.

China has two currencies, yuan and renmimbi.

With the advent of new regulations permitting foreign banks to trade there, we wrote about the restrictions and drawbacks they would face. (Particularly as Chinese interest rates are rumoured to be only 7%.)

Liverpool's left winger is Derek Hatton. A tricky question for all concerned.

The willow tree contains aspirin. We also remarked on how more than 3,000 species of plants contain anti-cancer

substances.

In their scramble to obtain tickets for a Bruce Springsteen concert, fans blocked the Washington long-distance lines for two hours.

(We noted that had President Reagan wanted to call Mr Gorbachev, the Army Signal Corps kept the White House telephones open.)

Apart from these, we've recently covered racehorse breeding, a Nobel Peace Prize rumpus and news that Clint Eastwood is running for Mayor.

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THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Confectionery

Rowntree goes nutritional

Christopher Parkes on a new member of the chocolate bar family

EARLY NEXT month London shoppers and commuters will have a new traffic hazard to cope with. Tugging with the ankle-pecking supermarket trollies and trippers with backpacks, squads of Rowntree's Macintosh reps will be scooting about on roller skates doing out free samples of the company's latest product.

The daftness of the gimmick should not be allowed to cloud the confectionery group's intent. Novo — in appearance a cross between a conventional chocolate snack and a cereal bar — represents a costly venture into a line which does not appear to fit into any clearly-defined product slot.

The bottom half is a mixture of milk chocolate, raisins, crisped rice and cornflakes topped with an upper crust of oats, rice, coconut, sesame seeds, honey and sugars. It will cost 18p for a single bar or 50p for five smaller ones in a single pack.

Clive Snowden, UK marketing director, says the aim is to straddle two important segments: the \$850m-a-year chocolate confectionery market for products like Marathon, Topic, Mars and Rowntree's own Kit Kat, and the \$500m trade in chocolate biscuits in which Penguin, Club and the like are sold in packs of five or six.

Snowden sniffs at mentions of "health" foods. Consumers consider conventional cereal bars as "dry, boring and tasteless," he says.

But Novo has some of the look, texture and ingredients of some of these products. This might be considered a disadvantage. But if the sample launch works, it could help to inject some interest and vigour into the sector to the benefit of its longer term future in the total confectionery market.

The UK "nutritional" confectionery market was pioneered by Jordans in 1980, subsequently entered by Quaker, United Biscuits, Adams Foods, BN Biscuits, Allinsons, Tesco and more recently by Mars with its Tracker brand.

Various attempts have been made to popularise the product by making it sweeter and adding other ingredients, but launches have been tentative and sales were still worth only about £13m at retail prices last year, according to estimates by KAE, the product development and marketing consultancy.

Commenting on the UK market, KAE notes "granola bars, while not a fad product... will remain a speciality market until the products deliver a comparable level of enjoyment to the average confectionery bar."

If events in the US market are anything to go by, Rowntree may have found a product with potential. The original crunch granola cereal bar quickly carved out a small niche for itself after General Mills took up the marketing challenge in the US about 10 years ago. But within five years it was apparent that the product was stuck in its niche, appealing mainly to health freaks.

Manufacturers began to fudge the issue, adding chocolate chips, marshmallow and other ingredients common in ordinary candy bars. Quaker completed the metamorphosis in 1984 when it introduced chocolate-coated granola Dips. Since 1980 sales of granola bars in the US have increased three-fold, topping \$400m last year.

The additions to the original have attracted new eaters among the ordinary public, while the more health-conscious have been convinced or talked themselves into believing that since the cereal and nut fillings are suitably fibrous and nutritious, they can allow themselves the luxury of a little chocolate.

Wherever it lands up in the market, Rowntree is giving Novo a generous send-off, with what Snowden describes as the company's biggest-ever launch. It is plunging straight into the

22m population London TV area next month with an initial budget which allows \$500,000 for television, press and radio advertising. Unusually, it is allowing a similar amount for below-the-line activities, including the giveaways.

This level of spending is equivalent to a 26m national product launch. Snowden claims, "With an eye on the mounting pressure on supermarket shelf space, Rowntree has already persuaded all the major multiple retailers to stock the new line. They have said they will find space for it," says Snowden. "If we can create a quick response among consumers then that is good for our relationship with these key accounts."

An unusual product. Novo demands unusual treatment, and the company hopes to create the necessary quick response partly by distributing 500,000 free samples. The promotion will also include a £25,000 prize competition, 5p-off coupons and vouchers for samples published in Options magazine and the Ms London and Girl About Town publications distributed free at railway and underground stations.

By comparison, Eclipse, Rowntree's last new product, crept into the market. It was launched last autumn without any advertising when it went on sale exclusively in Woolworths.

The target date for rolling out Novo on national markets depends on initial sales. "If things go well we may have to make a case for converting new plant," he says. "Then, with a following wind we might hope to cover the whole country by the end of next year."

Until recently, the private investor market had been in steady and unregretted decline, with share holdings by individuals falling from 54 per cent of the total in 1963 to nearly 20 per cent. The private investors that remain are upper income, older and single, mainly widows; indeed, around a quarter of all personal shareholdings are in the hands of single females and widows. The main market for stockbrokers is now a £25,000 minimum stake is probably around 1m investors.

To be known to the public, stockbrokers must maintain a high profile by forecasting economic trends. Phillips & Drew was known by 87 per cent of stockbroker users, and 68 per cent of non-users, followed by Capel-Cura Myers and Cozenove, both with a 77 per cent awareness among users. Among non-users there is a great ignorance about the identity of stockbrokers which inhibits potential

investors from getting into the system. Gordon Simmons's research suggested that there was much less enthusiasm among potential investors for buying shares in the UK than there was in the US, and it does not expect share ownership to approach US levels, even if stockbrokers take more interest in the private sector. New investors can probably be attracted by the High Street retailing of stocks and shares but these will capture the £10,000 investor, who is not a high priority. The research company's basic advice was that there are many different investor types, with differing requirements. Each segment needs special services, pricing and promotional strategy.

Because it is a relatively new area for research some of the most interesting case studies at Brighton revolved around financial affairs. The Committee of London and Scottish Clearing Banks, with Burke Research Services, proved to their own satisfaction, after carrying out experiments in Aberdeen, that the public was ready for electronic credit card shopping. Usage in supermarkets and especially petrol stations was higher than anticipated, and EFTPOS, "Electronic Funds Transfer at Point of Sale," will be apparent nationally by 1988.

Other papers revealed how Barclays, with MAS Survey Research, evolved the Barclays Businessplan aimed at small businesses, and how the Royal Bank of Scotland and Williams and Glyn sold their £15bn merger to their customers. While the financial institutions have discovered market research, market research companies are discovering the City. Millward Brown joined the USM last autumn, and MORI is about to. Other research companies with their sights on a listing are NOP, MIL and BVM.

This year's Market Research Conference was particularly ebullient, probably because the industry has enjoyed a decade of almost unchecked growth. The top brass of the research companies no longer come to Brighton, perhaps because there are fewer clients attending to "mind" but there can

be few professions which hold such significant annual get-togethers. There is the fair at which research companies "retail" their latest services; there is the "head hunting" which takes place at the many social gatherings; there are the esoteric papers which excite the few fanatics, like "The application of projective tests to psychographic analysis of markets" (by Bill Schlackman), to the popular papers covering such hot issues as the research which lay behind the launch of the BBC's successful soap Eastenders.

Eastenders was very thoroughly tested by BBC Broadcasting Research because its success, and that of another programme, Wogan, launched at the same time, was vital to the corporation. It was being early evening. While ITV's audience grew from 6.4m at 5 pm to 15.1m by 8 pm, that of the BBC increased from 5m at 5 to only 7.9m at 8. Action was needed to redress the balance, and so "soap," something the BBC had a poor record in, was the obvious answer.

The location and the characters were intensively researched. The favoured location with the public was Manchester (whodens of ITV's Coronation Street), but producer Julio Smith was keen on London, and the East End, and the fact that this was a popular second choice was enough. More daunting perhaps was the lack of enthusiasm generally for a twice weekly BBC soap. Eastenders had its problems after it was launched in February 1985; the audience declined in five weeks from 11m to 8m. Research found that the public considered it drab, too serious, and too full of conflict.

Adjustments were made and the audience began to climb. All along it had done well on the appreciation scales, and presumably the good opinions of its addicts persuaded more people to watch. In two months its audience grew from 5m to 15m, a remarkable achievement, and its appreciation averaged 80. More to the point Eastenders, together with Wogan, has succeeded in closing ITV's early evening audience advantage from about 20 per cent to less than 10 per cent.



A still from the TV campaign for Rowntree's new Novo bar

Market research

Focusing on finance

Antony Thorncroft on a growing preoccupation with investors

IT IS taking the financial institutions in the UK a long time to discover the joys of market research. The Big Bang has persuaded a few of the more enterprising City firms to commission research, but the Association of Market Survey Organisations (whose 20 members account for over 70 per cent of the £200m invested in research last year in the UK) still estimates that only 4.5 per cent of its revenue comes from the financial sector. However, it has grown from 3.5 per cent in 1984.

Together with such subjects as the research behind the launch of the British Broadcasting Corporation's popular Eastenders series, the contribution of research to the Big Bang was among the topics discussed at the annual conference of the Market Research Society at Brighton last week, most notably in a paper given by Lionel Gordon of Gordon Simmons. Research Group. This research company had persuaded seven leading stockbrokers to finance a study into the needs and attitudes of the private investor. Right from the start it indicated how stockbrokers view the private investor—someone with liquid assets above £20,000. Below that level stockbrokers quickly lose interest.

Until recently, the private investor market had been in steady and unregretted decline, with share holdings by individuals falling from 54 per cent of the total in 1963 to nearly 20 per cent. The private investors that remain are upper income, older and single, mainly widows; indeed, around a quarter of all personal shareholdings are in the hands of single females and widows. The main market for stockbrokers is now a £25,000 minimum stake is probably around 1m investors.

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# TECHNOLOGY

Bernard Simon, in Toronto, examines how North American mines are making the most of their mineral deposits.

## Squeezing more gold from them than hills

MINING COMPANIES around the world are seeking to expand the applications of an extraction process which has revolutionised North American gold mining in the past five years.

Known as "heap leaching", the process has enabled mines to overcome high labour costs and avoid the expense of building a conventional mill, thus enabling them to exploit profitably very low-grade deposits.

Heap leaching at about two dozen mines already accounts for one-third of US gold output, compared with less than 5 per cent at the end of the 1970s. Mr Robert Friedland, chairman of Vancouver-based Galatic Resources, which is on the point of opening a 120,000-ounce-a-year heap leach operation in Southern Colorado, forecasts that over half of US gold production will be heap leached by the end of the decade.

Galatic's new mine will cost a modest US\$40m, about a third cheaper than a normal underground operation.

The growing interest among large, established companies in heap leaching is reflected in the opening this year of mines owned by Consolidated Gold Fields and Newmont Mining.

Echo Bay Mines of Edmonton and two partners are examining the feasibility of at least doubling the capacity of their Round Mountain Mine in Central Nevada. Round Mountain is already the world's largest heap leaching operation with expected 1986 output of 160,000 ounces.

The heap leaching process consists of spraying a solvent—normally a sodium cyanide solution—over large piles of broken gold-bearing ore placed on impermeable asphalt or plastic pads. The solution, applied through an overhead sprinkler system, percolates through the ore, dissolving the

gold as low as 0.02 ounces of gold per ton, which is about one-tenth of the gold content required for conventional North American gold mines. Galatic's Summitville Mine, with an average grade of 0.047 ounces per ton, will break even at gold prices well below US\$150 an ounce, less than half present market levels. Simple as it sounds, heap leaching can be a tricky business. Success depends on the porosity and oxygen content of rock being mined, the fineness to which ore is crushed and even the weather.

The process works best on well-oxidised, fractured ores found near the surface in dry, temperate climates. The presence of other metals, such as copper or zinc, may require the ore to be "roasted" before it can be leached.

Some heap leach mines at high altitudes in the US suspend operations during the winter. Unsuitable weather conditions have discouraged the use of the technique in other countries, including Canada.

The US construction group Bechtel is currently breaking new ground by designing a heap leach operation for waste dumps of a British Columbia copper mine owned by Gibraltar Mines, a subsidiary of Placer Development of Vancouver. A solvent extraction plant at the mine is due to be commissioned in October. According to Placer, Gibraltar

is the coldest site at which heap leaching has been attempted throughout the year. Some heat will be generated by the chemical reaction caused by the leaching solution.

Placer may also erect a heap leaching pod at one of two gold mines it is considering building in Papua New Guinea, although the company stresses that the viability of the projects will depend on conventional milling techniques.

A few small heap leach projects have been launched in Australia, North American min-

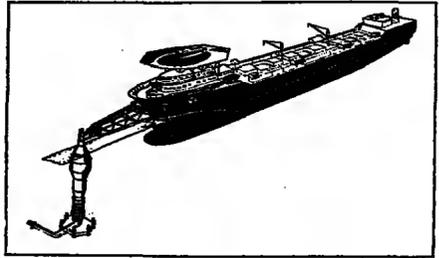
## Gas injection for sinking sea bed

BY FAY GJSTER IN OSLO

THE PARTNERS of Norway's Ekofisk Field, where the sea bed is sinking as a result of reservoir compaction, are considering a novel project to solve the problem. This involves the injection of nitrogen into the reservoir as a method of slowing or stopping the sinking process.

Over the longer term, the sea bed subsidence is a threat to the safety of the field's installations.

Past nitrogen injection schemes have envisaged putting the nitrogen plant either onshore or on a platform in the field. Now a Norwegian firm, Maritime Protection, is proposing to install on board a purpose-built ship a nitrogen plant based on membrane separation of air, with the gas being piped to an injection platform via a single leg mooring buoy (see illustration).



A 32,000-ton ship with a plant able to supply 600m standard cubic feet per day, plus the buoy and pipeline, would cost an estimated Nkr 4bn. The gas would cost Nkr 0.15 per normal cubic metre, based on operation for 8,000 hours per year. At an exchange rate of Nkr 7 to the dollar this gives a dollar price of 0.54 per 1,000 standard cubic feet, exclusive of capital costs.

Maritime Protection has been working in co-operation with Norsk Hydro, which, as well as being a partner in the Ekofisk Field, is itself an important producer of industrial gas, particularly nitrogen.

An advantage claimed for the mobile plant is that it could be built quickly—within three years—and relatively cheaply.

The US Monsanto group, claims to have been the first company in the world to supply nitrogen plants, based on membrane separation, for inert gas systems on board ships.

Maritime Protection has that its proposed ship would not necessarily have to be built by an oil company requiring the nitrogen. It could be built, owned and operated by an independent firm, which would sell the gas where it was needed, at a fixed price per cubic metre.

### Over half of US gold output will be from heap leach production by the end of the decade

### Cuts in labour and construction costs mean lower-grade ores can now be exploited profitably

## New generation of high-powered lasers

"WHEN you bring a lot of energy to bear on a target, you get surprises. It's a whole new area of physics," remarked a senior US physicist of the Los Alamos National Laboratory in New Mexico.

Los Alamos is collaborating with two British laboratories to explore this new physics of stellar pressures and temperatures, as a spinoff from a British scientific programme in laser development that serves university scientists.

The physics is of immense military, as well as scientific, interest, and the US Government may fund a British scheme to build one of the world's most brilliant lasers for further Anglo-US collaborative research. This would cost about £10m.

Since midsummer, 1984, scientists from Los Alamos and Britain's Atomic Weapons Research Establishment, Aldermaston, have been using a laser called Sprite to study how powerful pulses of laser radiation may damage electronic targets. When intense bursts of energy strike a target, the effects can be explosive. They lie at the heart of the novel speed-of-light weapons proposed for defence against missiles.

Sprite is a demonstration of a new laser principle discovered in Cambridge in the mid-1970s. The excimer laser, as it is called, is a pulsed laser of much higher efficiency than the high-powered glass lasers: theoretically as high as 10 per cent.

Sprite was developed by the central laser facility of the Science and Engineering Research Council (SERC), at its Rutherford Appleton Laboratory at Chilton near Oxford. The facility consists of a family of powerful lasers available for experiments by about 150 scientists spread throughout British universities.

Dr Mike Key, the director, spends about £2m a year to maintain this service, which spans a wide spectrum of research from "flash" photography of living cells to novel ways of making micro-electronics.

For example, SERC and the Industry Department are jointly supporting research with Sprite which could give the British semiconductor industry a head start in making a new generation of silicon chips, using ultraviolet laser lithography to reproduce the complex sub-micron-sized structures.

Sprite is a kind of chemical reactor, in which a new kind of chemistry involving inert gases, such as krypton, is harnessed. The inert gases do not normally combine chemically with other elements. In the excimer laser they are persuaded to combine briefly into such compounds as krypton fluoride by a gigantic bolt of electricity.

In Sprite, this reaction takes place in a steel vessel with a "window" of titanium foil through which a burst of electrons at about half-a-million volts and half-a-million amps can be blasted. The reaction unleashes a bolt of ultraviolet laser radiation.

As Dr Key comments, the excimer laser is a very robust kind of laser compared with the fragile glass lasers such as Vulcan, his biggest facility, with six beams now available for simultaneous experiments. Sprite is "less like optics, more like engineering," he says.

SERC has been funding the development of the excimer laser since 1980, in parallel with the development of Vulcan, as a major new scientific tool pioneered by Britain.

Their progress attracted attention at Los Alamos, long associated with high-powered laser development. In Antares it claims to have the world's biggest laser, an infrared instrument built of modules

each the size of an American locomotive. Physicists spent over £60m on Antares, before finding they needed a much shorter wavelength of radiation to pump energy efficiently into a target.

Sprite offered a more promising wavelength, deep in the ultraviolet, close to X-rays. In March 1984, Los Alamos and Aldermaston hired Sprite for a joint series of experiments exploring the physics of striking a target with 100-joule pulses of finely-focused radiation.

A second series was mounted in July last year. Between them, the two series were worth about £50,000 to the Rutherford Laboratory.

These experiments have contributed vitally to the design of a new Los Alamos laser, called

### OUT OF THE BACKROOM



By David Fishlock

Aurora, the Americans say. They claim Aurora will be the world's biggest krypton fluoride laser when it is ready this summer. It may put 80 times as much energy into the target as Sprite.

But Sprite's unique features—such as its very short pulse, fine focusing, and its ability to fire 20 or more "shots" a day—are still valuable.

A new and much bigger series of joint experiments, worth about £1m to the central laser facility, has just been agreed. The will be funded under the US Strategic Defence Initiative (SDI), by the research programme concerned with lethality and target hardening.

A similar series is also planned by the same three collaborators using another facility at the Rutherford Laboratory. Called Isis, which I discussed in this column last month, this series will explore the physics of proton beam impacts on targets.

More ambitiously, however, scientists at the central laser facility led by Mike Show and Fergus O'Neill have put forward proposals for a new laser for "target-shooting." Called Supersprite, this would consist of ten modules of the Sprite laser, and would be more than ten times as powerful. It would be a dedicated facility, tailored to SDI requirements and costing an estimated £10m to build. It would be by far the facility's biggest laser yet.

The Rutherford Laboratory has wide experience in building major tools and facilities for science, not only in Britain. It is just finishing a £10m radiotelescope in Hawaii, the James Clerk Maxwell, for an Anglo-Dutch research programme.

Supersprite appears to have enthusiastic support from SDI senior management, including Gerold Yonas, chief scientist, who visited the Rutherford Laboratory recently. "The Rutherford has a very good name in the SDI office," comments the senior Aldermaston scientist coordinating the British end of laser target shooting.

For the Rutherford, a contract to design and build Supersprite means Britain's participation in the engineering of a new generation of lasers.

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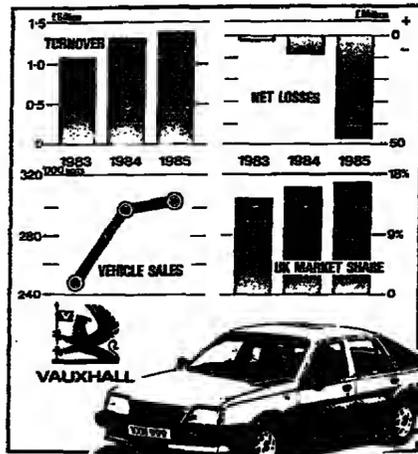
UK NEWS

Kenneth Gooding assesses GM's mixed fortunes in Britain  
**Vauxhall pays price of success**

MR JOHN BAGSHAW, who re-joined Vauxhall Motors as chairman only five weeks ago, yesterday rushed to defend General Motors' UK subsidiary against accusations that it has been blatantly buying market share in Britain.

The allegations flared up again because Vauxhall astounded the UK motor industry on Tuesday with the news that, in spite of achieving record new car sales and market share in Britain, its net loss soared from £2.4m to an unprecedented £47.4m.

Since 1981 Vauxhall has doubled its new car market share in the UK and Mr Bagshaw suggests that it is a victim of its own success. "Our major competitors have car production capacity in place and Ford and Austin Rover have been under pressure to do whatever they can to use as much of that capacity as possible."



So extra bonuses and bigger discounts for dealers have become widely used by the manufacturers to give dealers more room for manoeuvre to "move the metal." Mr Bagshaw insists, however, that Vauxhall has only followed its competitors and never set the pace in the discount war.

For example, in 1984 Ford gave its dealers extra incentives of roughly £130 a car and Austin Rover £112 a car. GM spent £90 a car. Mr Bagshaw says the 1985 figures are confidential but Vauxhall had to follow the two main competitors and move its special support up to £110 a car.

The pace has not slackened in 1986. Mr Bagshaw says he lost a major deal with a rental company that buys 6,000 to 7,000 cars a year which has been offered discounts of

nearly 50 per cent on list prices by Vauxhall's rivals. "We simply walked away from that deal. There is nowhere else in the world where that kind of discount is given."

Dealers confirm Mr Bagshaw's view. Mr Jim Becchus, managing director of Jessups, which has both Ford and Vauxhall franchises, says: "Vauxhall is always following, rather than leading with extra incentives. For example, currently Ford is much more active in providing up-front money to its dealers to give them more room to deal."

Even if Vauxhall has not led the way with extra discounts and incen-

erment, Vauxhall is on course to achieve an average 60 per cent UK content for all British-made vehicles and to build 65 per cent of all cars sold in the UK at its British factories.

In the past few months Vauxhall has switched the supply of about £20m a year of materials and components from continental European sources to British, so that it is gradually becoming less reliant on West German suppliers.

The other main problem Vauxhall faced last year was that it did not get the scheduled output from its factory at Ellesmere Port on Merseyside which has been revamped at the cost of £50m (borrowed in Britain) to assemble the new Astra.

Mr Bagshaw says that this was in no way the fault of the 5,000 shop-floor employees. Serious problems with the computer software used by the highly automated equipment and deficiencies in the plant lay-out were to blame.

In the event, Ellesmere Port, which was started to produce 29 cars an hour, produced only 25 an hour. For the past few months the factory has been turning out cars at 29 an hour and that will be a great benefit to 1986 financial results.

Mr Bagshaw, an ebullient Australian who was formerly marketing director, is given much credit for transforming the company from an also-ran to the position where it is challenging Austin Rover for second place in the UK car market. He admits, however, that a big job remains to be done to turn Vauxhall around, and that it is too early to forecast when Vauxhall might return to profit.

**Peugeot Talbot to export cars from UK**

BY JOHN GRIFFITHS

PEUGEOT TALBOT, the French Peugeot group's UK subsidiary, is to produce fully assembled cars for export for the first time in 10 years.

Production of left-hand-drive Peugeot 309s at a rate of 250 a week, will begin in September for sale in the Netherlands and Belgium.

The decision, announced yesterday, will make Peugeot Talbot the only one of the "big three" foreign-owned manufacturers in the UK to be selling cars abroad.

Vauxhall, the General Motors subsidiary, was the last of the two

US-owned multinationals to persist with car exports of the Chevette. These were abandoned in 1981. However, Ford and Vauxhall's sister company Bedford export vans from the UK.

The last complete cars sold overseas from Peugeot Talbot's plants were Hillman Avengers, exports of which ceased in 1976. At the time, the company was known as Chrysler (UK) and formed part of the US carmaker's European operations.

Subsequently, these were sold to the Peugeot group.

Yesterday's decision will involve an increase in 309 model production at the company's plant at Ryton, near Coventry, from a weekly rate of just under 1,000 to 1,155. The higher output level will start in June as Peugeot Talbot has decided to build extra cars to meet the demand expected during the UK's traditional car sales boom in August.

The company said that a decision by its French parent was expected "within the next few months" on whether Ryton would share in production of the D60, a medium-sized

saloon to be launched next year.

Mr Geoffrey Whalen, Peugeot Talbot's managing director, said the 309 decision was "just the boost we wanted." He attributed it to major productivity and efficiency improvements at the UK plants.

Principal production of the 309 is at Peugeot's Poissy plant, which is running at full capacity of 5,000 a week. The 309 is also to be built at Villaverde, Spain, from the end of this year, but for the domestic market only.

New Issue  
 March 20, 1986

All these securities having been sold, this announcement appears as a matter of record only.

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# UK NEWS

Tim Dickson calculates an unorthodox index

## Royals ring in bull markets

AN UNAMBIGUOUS "buy" message was flashed to the London stock market yesterday when Buckingham Palace officially announced the engagement of Prince Andrew, the Queen's second son, to Miss Sarah Ferguson.

Gilt-edged securities both rose sharply in hectic trading with the FT Ordinary Share Index 14.9 points higher at a record 1,385.5 and long-dated gilts in some cases 2 1/2 points better at the close.

There were those who attributed the latest jumps to lower interest rates and the confident budget statement from the Chancellor of the Exchequer on Tuesday. But the real reason for the new burst of buying lies in the bullish signals coming from the authoritative Financial Times Royal Weddings and Engagements Index (FinWed for short).

Comprising 10 wedding commitments and nine engagements (the latter compiled with the help of Debut's Peerage and Princess Alice, who kindly volunteered the date of the announcement of her engagement to Prince Henry), the index includes a couple of well-known "astro blue" chips (Princess Elizabeth/Philip Mountbatten and Prince Charles/Lady Diana Spencer), a number of ordinary blue chips (mostly sisters and cousins of the present Queen) and a "stock" which was only temporarily listed on the main market (the Duke of Windsor, or Edward VIII as he was previously, and Mrs Simpson).

Investors' current optimism is based on a close study of the index, notably the six-month period immediately after ceremonies. This shows that the FT Index ended at a higher level in the case of six out of the nine engagements and six of the 10 weddings.

The stock market, for example, was 13 points up at 112.4 six months after the engagement of Prince Henry to Lady Alice Montagu Douglas-Scott in August 1935 (shortly after the birth of the FT Index). Investors showed their approval of the plans of Prince Richard of Gloucester to marry Miss Birgitte van Deurs in 1972 by pushing the index up 29 points to 524.4 during the period under review and they welcomed the news of Prince Charles' engagement in February 1981 with a 64.5 per cent rise over the subsequent six months.

Princess Margaret, Princess Alexandra and the Duke of Kent, of course, provided a strong underpinning to the steady bull market of the 1960s (though initially the Duke of Kent displaced the market).

Events on the trading floor yesterday suggested that news of the FinWed index had already leaked out into the market.

Jobbers pointed out, for example, that some of the biggest gains were chalked up in gilt-edged securities, where the key players are often blue-blooded members of the aristocracy and (to some cases) relatives of the Queen.

Some stockbrokers were keen to highlight those individual shares (known as "Fergies") which are likely to benefit from the expected royal wedding euphoria. Mr Tony Richards, a partner in Quilter Goodison, cited hotels, breweries, champagne importers and leisure companies generally as among those which should reap higher profits.

"Coming on top of all the other good news, Mrs Thatcher's speech over the weekend and the Chancellor's confident message on Tuesday, I think the royal wedding could well keep the ball rolling," he added in what was clearly an oblique reference to the FinWed index theory.

Over at the City of London offices of the stockbroking firm Simon and Coates, at least one doubter yesterday was pinning his hopes on a different set of chart signals. Mr Gavin Davies, the firm's respected chief economist, said that he had been looking at the correlation between stock market performance and those years in which Southampton football club had reached the semi-final of the FA Cup.

"The team has done so, of course, 10 times in all, he explained. "In recent memory the achievement in 1976 and 1984 coincided with strong markets."

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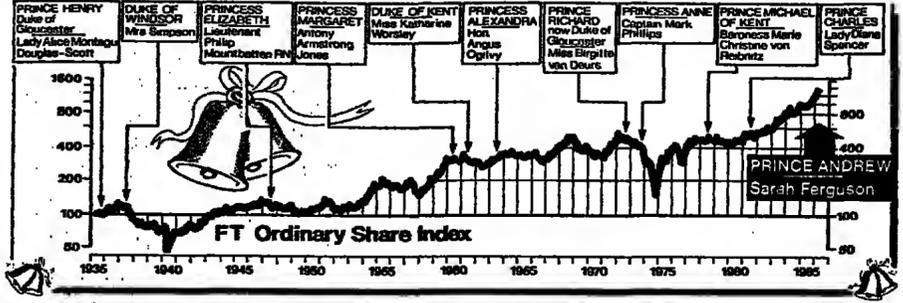
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## Sites shortlisted for new power plants

BY MAURICE SAMUELSON

THE ELECTRICITY industry yesterday named five possible sites for new coal-fired power stations to replace existing capacity.

Two of them - at West Burton and Hams Hall - are close to Midland coalfields. The other three, at Marchwood, near Southampton; Kingsnorth on the Thames; and Killingholme on Humberside, are all coastal sites which could operate on imported coal.

The sites were named by the Central Electricity Generating Board (CEGB) to the House of Commons select committee for energy, which is conducting an inquiry into the future of the coal industry. The CEGB's list gives priority to the sites in the south of England because that is where its generating capacity is most deficient.

In a memorandum to the committee which has aroused strong fears among mining unions, the CEGB has claimed that it was possible to raise imports to 30m tonnes a year. This would help its coal bill to be reduced by £550m a year, or 14 per cent, because of the difference between average world prices and those of the National Coal Board (NCB).

It claims that the average price of NCB coal last October to the CEGB was just over £43 a tonne, compared with a world price for similar quality coal of less than £28 a tonne.

Appearing before the committee with senior colleagues, Lord Marshall, CEGB chairman, said the difference, which had grown since last October, represented a "hidden subsidy" to the NCB by electricity consumers on top of that provided by the Government and which appeared in the NCB's accounts.

New Issue  
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Effective March 19

Years	Quota loans repaid at		Non-quota loans A* repaid at	
	by EPT	As maturity	by EPT	As maturity
1	10 1/2	10 1/2	11 1/2	11 1/2
Over 1 up to 2	10 1/2	10 1/2	11 1/2	11 1/2
Over 2 up to 3	10 1/2	10 1/2	11 1/2	11 1/2
Over 3 up to 4	10 1/2	10 1/2	11 1/2	11 1/2
Over 4 up to 5	10 1/2	10 1/2	11 1/2	11 1/2
Over 5 up to 6	10 1/2	10 1/2	11 1/2	11 1/2
Over 6 up to 7	10 1/2	10 1/2	11 1/2	11 1/2
Over 7 up to 8	10 1/2	10 1/2	11 1/2	11 1/2
Over 8 up to 9	10 1/2	10 1/2	11 1/2	11 1/2
Over 9 up to 10	10 1/2	10 1/2	11 1/2	11 1/2
Over 10 up to 15	10	9 1/2	10 1/2	10 1/2
Over 15 up to 25	10	9 1/2	10 1/2	10 1/2
Over 25	10	9 1/2	10 1/2	10 1/2

\* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

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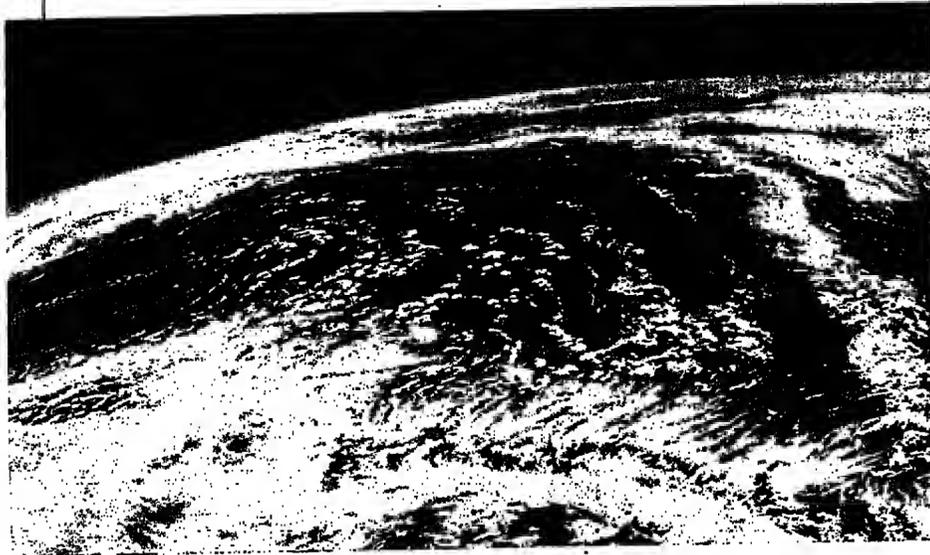
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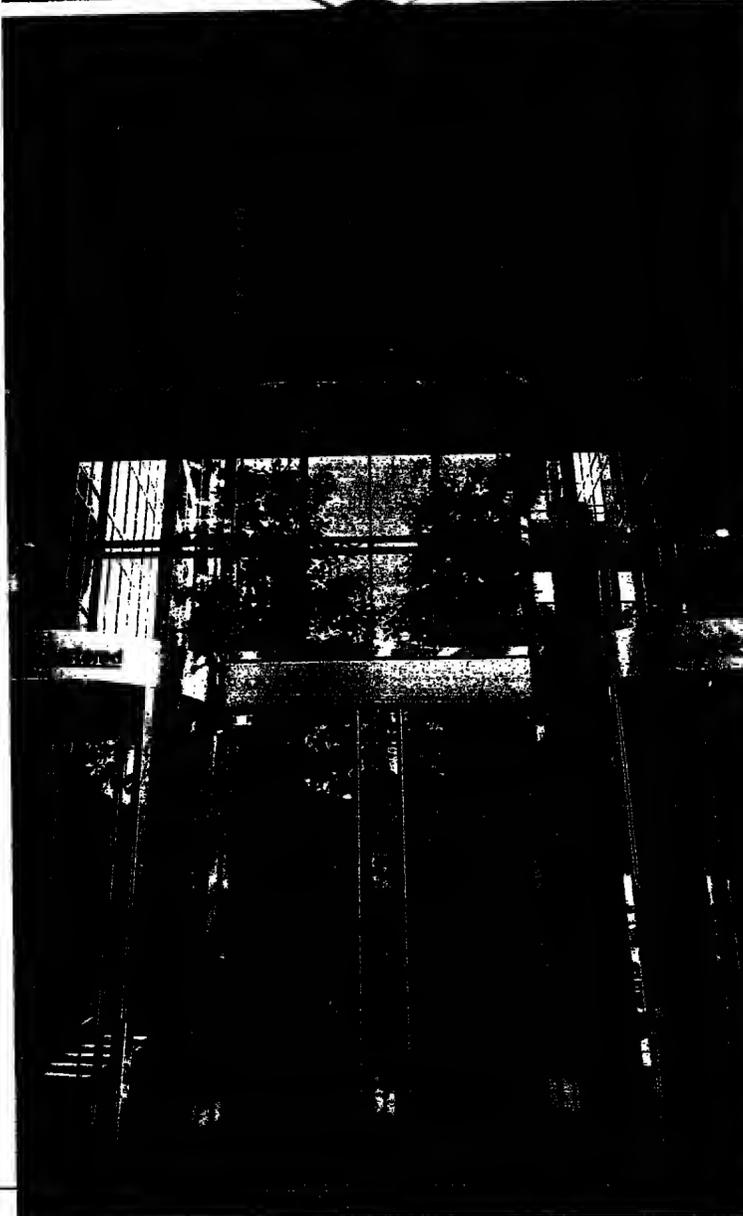
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UK NEWS

# Takeover Panel moves to enforce bid rules

BY DAVID GOODHART

THE CITY of London Takeover Panel yesterday cracked down on the increased use of coded messages by companies in takeover battles to circumvent the panel's strict rules on information disclosure. It decided to make an example of Guinness, which is engaged in a fierce battle with Argyl, the food and supermarkets group, for control of the Distillers whisky company. The panel, after a complaint from Argyl, has asked Guinness to clarify a statement made on February 20 which carried an implicit profits forecast.

Rule 23 of the Takeover Code requires that all profit forecasts made in connection with an offer are reported on by the relevant auditors or consultant accountants and financial adviser. However, at a

press conference on February 20, a Guinness spokesman said: "Although we are not making a profit forecast, we anticipate, on the basis of public information, that the earnings per share of the merged entity (Guinness-Distillers) in 1986 will be at least as great as the earnings per share of Guinness on its own would have been and that there will be no dilution."

The panel has decided that, despite the denial, this does amount to a profit forecast for the purpose of Rule 23. It is thus demanding that it is supported by the relevant auditors and advisers or withdrawn.

The panel also stressed that all public statements on dilution - common during bids - which carry implicit profit forecasts should be more explicit. It said that the period

of uncertainty since February 20 relating to the Guinness forecast was unfair to other parties in the takeover.

Guinness has agreed to publish a formal endorsement of its statement when it publishes its next document, probably next week. Its 1985 earnings per share were 25.3p up from 20p the previous year.

The panel also drew attention to the more general point, encoded in Rule 19, that "Officials of companies are warned that they must consider carefully the code implications of what they say when talking to journalists... Particular areas of sensitivity on which comment should be avoided include future profits and prospects, asset values and the likelihood of the revision of an offer."

# Wages still rising faster than inflation

By George Graham

AVERAGE EARNINGS in the UK continue to increase faster than the rate of inflation, according to figures published yesterday by the Department of Employment. The underlying rate of increase in January remained at 7% per cent, the same level as for the last year.

The Department said average earnings in the UK were increasing at around twice the rate of its competitors. In West Germany the rate was 4.2 per cent and in the US 3.9 per cent. Only Italy among the main industrial competitors had a higher rate of increase.

The number of jobs in UK manufacturing industry continues to fall. Employees in manufacturing fell by 7,000 in January, making a total of 64,000 job losses in 12 months. Employment in the energy and water supply industries fell by 10,000 as a result of the coal industry's contraction. This sector has lost 39,000 jobs in a year.

Mr Nigel Lawson, the Chancellor of the Exchequer, said in his budget statement this week that the present pay round was showing little sign of any significant change in the level of pay settlements, or in the underlying rate of growth of average earnings in the private sector. However, the Treasury is hoping for a slight slowdown in earnings growth in the second half of this year.

Yesterday's figures showed the seasonally adjusted index of earnings rising to 179.2, an increase of 0.6 per cent from the previous month, and 8.3 per cent up on January 1984. The underlying rate of increase is lower, the Department of Employment said, because the unadjusted figures still show the effects of the coal strike.

# Profits sharing idea may be put to the test

By Peter Riddell Political Editor

MR NIGEL LAWSON, Chancellor of the Exchequer, is considering using the forum of the tripartite National Economic Development Council for consultations over his proposals for an increased element of profit sharing in a more flexible system of employee remuneration. His view is that there must be clear evidence of a likely broadly based acceptance rather than merely interest from a few financial bodies where remunerations already varied considerably from year to year. If the proposal does attract sufficient interest then a consultation document would be issued with the possibility of legislation next year.

The basic idea is that to reduce current rigidities within the labour market which lead to redundancies, it might be desirable to move to a system where a significant proportion of an employee's remuneration depends directly on the company's profitability. To get this idea off the ground, there might have to be some temporary tax relief to employees concerned.

The House of Commons debate on the budget yesterday remained generally low key, with Mr Roy Hattersley, the shadow Chancellor, outlining the details of Labour's near £7bn plan to cut unemployment and to provide additional help for pensioners families and the poor.

Senior Ministers believe that the budget will be hard to attack in view of yesterday's fall in interest rates and their hope that the level of unemployment will flatten out, and possibly fall, over the coming year.

Mr John MacGregor, Chief Secretary to the Treasury, discussed at length a choice between cutting the basic rate of income tax by 1p and a further increase in income tax thresholds. He said the 1p cut was not intended to mean that changes in the basic rate were better than increases in thresholds.

Reaction and analysis, Page 14

# Labour leaders back shift in union laws

BY PHILIP BASSETT, LABOUR EDITOR

LABOUR PARTY leaders will next week urge the Trades Union Congress (TUC) to accept a shift away from the UK's traditional system of trade union law, based on immunities from civil proceedings, towards positive rights - including the right to strike.

The move, which has the firm support of Mr Neil Kinnock, Labour's leader, comes after a special TUC conference yesterday on what kind of employment legislation the unions would like to see under a future Labour government.

Next week at a meeting of the TUC-Labour Party liaison committee Mr Kinnock will support a confidential document which proposes the establishment by a future Labour government of some positive rights in addition to traditional immunities.

Central to it is that the right to strike should be enshrined in British law for the first time. Though

withdrawing labour is often spoken of as a right, strikes have no legal standing. They are merely actions which a series of laws have protected, to a greater or lesser degree, depending on which party is in power.

Mr Kinnock's proposal may present the unions with a problem. It may carry with the offer of a legal right to strike definite obligations under the law, such as pre-strike balloting. Although yesterday's conference showed that some unions are in favour of such ballots, many are not and might balk at such an obligation.

Mr Norman Willis, TUC general secretary, said he was "absolutely convinced" that the unions and the party would reach agreement on a blend of traditional legal immunities and positive legal rights. Unions under a Labour government would have no automatic line to power.

# Barclays acquires Visa operation from Chase

BY MICHAEL CASSELL

BARCLAYS Bank has stepped up its assault on the \$40bn-a-year international travellers' cheque market by acquiring the Visa Travellers Cheque operations of Chase Manhattan Corporation.

The deal, at an undisclosed price, will boost Barclays' share of the world travellers' cheque market from just over 9 per cent to about 14 per cent, making it the third largest issuer in its own right.

American Express dominates the highly competitive market with an estimated 49 per cent share. The banks operating under the Visa travellers' cheque and credit card umbrella have an estimated 18 per cent between them. Within that, the Chase deal will give Barclays, already the largest single issuer of Vi-

sa cheques in the world with 50 per cent of the total, a 75 per cent share. The market's other principal competitor is Thomas Cook, with about 15 per cent of total international business.

In the US, Barclays' share of the Visa market will rise from about 44 per cent to around 85 per cent, giving it an estimated 12 per cent of the total US travellers' cheque market.

Chase Manhattan approached Barclays to ask if it was interested in acquiring the business, after apparently deciding that it was not prepared to make the substantial financial or manpower commitment required to expand the business further.

Extracts from the statement by the Chairman of Anglo American Industrial Corporation, Mr. W. G. Boustrad

# AMIC

## "Amic increases attributable earnings despite depressed trading conditions"

1985 results

Amic's attributable earnings before extraordinary items for the year ended December 31 1985 increased by 9.2 per cent to R172 million, equivalent to 346.6 cents per share. As anticipated in the interim statement to shareholders, a final dividend of 125 cents per share has been declared, maintaining the dividend at 130 cents per share for the year.

Economic review

A year ago the South African economy had entered a difficult and uncertain phase. However, even the most pessimistic forecasts did not adequately cater for the subsequent deterioration in the business environment. Mounting unrest in various areas and the consequent declaration of a state of emergency were associated with a rising tide of international condemnation and moves towards the application of trade and other sanctions. Domestically and abroad, confidence in South Africa was rapidly eroded, and the exchange rate remained under pressure, reflecting net foreign capital outflows. When the rand collapsed from an already depressed level in August, the authorities imposed a standstill on certain foreign debt repayments.

Fiscal policies were tightened during the first quarter of 1985 and this strongly reinforced the severe monetary conditions which had already curbed domestic spending. The subsequent extreme weakness in local markets and the emergence of a substantial current account surplus prompted the authorities to allow a gradual reduction in interest rates. Unfortunately, the benefits which would normally have flowed from these developments were offset by the deteriorating socio-political conditions and their repercussions.

For the economy as a whole, by far the most important sustaining influence was the continued strong growth in the volume of exports. The rand proceeds from exports were further enhanced by the depreciation of the currency.

The rate of inflation however, remains exceptionally high for the start of a recovery, while the volatile political circumstances affecting both domestic as well as international trading and other relationships serve as a constant reminder that the basis for recovery is a fragile one. It is obvious that in these circumstances any rapid boost to domestic demand would be extremely dangerous. It is equally obvious that the capacity to sustain a recovery which may be established this year into 1987 and beyond will depend critically on developments in the political arena, and related to that, in respect of our external debt situation. The understanding recently reached with foreign banks is encouraging in the sense that it removes some uncertainty. However, the fact that capital repayments have to be made is a reminder of how far we are away from normality for a country in our stage of development. In contrast with many other debtor countries, South Africa

is under-borrowed and there are no questions about its ability to meet interest payments. A restoration of foreign capital flows and the technology which is associated with them are vital to renewed growth and the essential development of industry as a creator of job opportunities.

Industrial relations

1985 has been a turbulent year politically and socially. Though Amic subsidiaries have been able to avoid significant conflict, increasing township unrest and political conflicts are beginning to impinge on the workplace.

Through collective-bargaining, management and unions have demonstrated an ability to resolve conflicts relating to the workplace. In the areas of social and political affairs, an urgent need now exists for equivalent processes to be created to resolve conflict through negotiation and compromise. The emergence of Parents Associations and Parents Crisis Committees provides education authorities with appropriate negotiation partners. The development of proper machinery to handle political, community and educational conflict will reduce the danger of over-hardening those concerned with industrial relations with issues that they are not competent to decide.

Achieving broad based agreements on wages, working conditions and fringe benefits or the industrial council level continues to afford a guaranteed level of progress for hundreds of thousands of employees, and a fair competitive environment for the enterprises involved. Amic companies believe that satisfactory bargaining structures can be achieved through negotiations between the respective parties in the metal industries. The continuing recession has put severe pressure on both profits and wages and a return to real economic confidence is urgently needed in order for industry to be able to continue the process of enhancing real wages and working conditions of its employees.

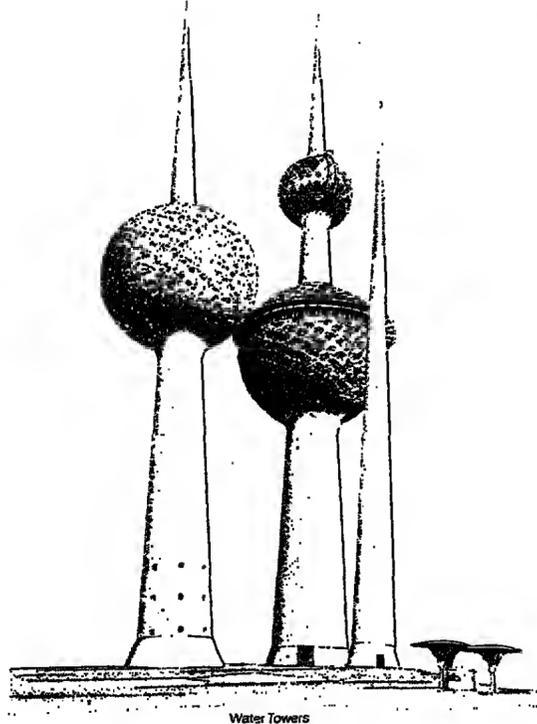
Outlook for 1986

Prospects for 1986 are characterised by even greater uncertainty than has been the case in past years and confidence in the South African economy will, to a large degree, hinge on the rate of political reform and the subsequent international response. Although there are some signs of an upturn in local demand, the very high rate of inflation remains a major cause for concern. Furthermore, the contribution to the group's earnings from exports could be impacted by a continued strengthening of the rand. Amic is facing another difficult year and it is not realistic to make any prediction as to the group's earnings and dividends for 1986.



The annual general meeting of members will be held at 44 Main Street, Johannesburg, on 13 May 1986

# MAN'S LANDMARKS



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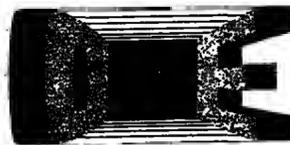
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UK NEWS - AFTER THE BUDGET

Money for tax cuts from non-oil revenues

By George Graham

AFTER TAX cuts of £1bn despite a shortfall of £6bn in oil tax revenues, City analysts were ready yesterday to comb through Mr Nigel Lawson's arithmetic to find out where the money was coming from.

They did not have to look far. The money to pay for the tax cuts all comes from the much more buoyant non-oil tax revenues he forecasts in the coming year.

Income tax revenue is expected to rise by more than £3bn or 8.7 per cent, without the 1p cut in the basic rate of tax. The projected increase would be 11.5 per cent. A rise is predicted for non-oil corporation tax of £1bn or 11.9 per cent and for expenditure taxes such as VAT of £5.3bn or 9.4 per cent.

The City's immediate reaction was relief that the Chancellor had not decided to step up Government borrowing in order to finance the tax cuts. Although several analysts voiced their concern that next year's Public Sector Borrowing Requirement of £7bn could not be met, the figures were made much more credible by the better than expected figures for last month's PSBR announced shortly before Mr Lawson stood up in the House of Commons on Tuesday.

Many of the City's stockbroker economists—dismissed by the Treasury as "Young Turks," "teenage scribblers" or simply "idiots"—are more cautious on the prospects for economic growth than the Treasury's revenue forecasts.

When the Treasury is predicting GDP growth of 3 per cent in 1986, leading brokers Phillips and Drew and Simon and Coates expect only 2.4 per cent. James Capel, another broker, is far more cautious than the Chancellor on the outlook for exports and investment—both figures have been revised up to 5 per cent growth by the Treasury—and sees overall GDP growth at only 2 per cent.

The same caution is shown on the prospects for trade. Phillips and Drew, James Capel, Laurie Milbank and Capel-Cure Myers are all forecasting a dip in the UK's current account surplus from its 1985 level of £3bn, where the Treasury expects a rise to £3.5bn.

Simon and Coates, however, agrees with the Treasury current account forecast while Hoare Govett and Rowe and Pitman expect a surplus of £3.9bn to £4bn.

For inflation, the Treasury forecast is in the middle of the stockholders. It expects the year on year rate of increase in the Retail Price Index to drop to 3.5 per cent by the fourth quarter of this year.

Mr Gavyn Davies, chief economist at Simon and Coates, said: "The Treasury's forecast of inflation looks realistic. It has not changed since the Autumn Statement because the impact of lower oil prices is offset by lower sterling."

Mr Roger Bootle, chief economist at Lloyds Merchant Bank, feels the forecast may be too conservative. "We feel that inflation will be within a whisker of 3 per cent by late spring and will more or less hold that level over the year."

At Phillips and Drew, however, Mr Bill Martin sees inflation at about 4 per cent by the end of 1986 rising to 5 per cent by the end of 1987. "The pick-up in the inflation rate next year stems from the 6 per cent advance in unit wage costs, economy-wide, over the foreseeable future."

So do the sums add up? A slight majority of the stockbrokers' economists feel Mr Lawson will be able to keep broadly to his announced PSBR target of £7bn in spite of the tax cuts he announced on Tuesday, but there is some scepticism about his public spending figures. Phillips and Drew and James Capel both believe the eventual PSBR for the 1986-87 financial year is likely to be £1.1bn higher.

Mr Keith Skeoch, Capel's chief economist, warns: "An overshoot on the PSBR in 1986-1987 will also make Nigel Lawson's life even more difficult in the 1987 Budget as it could easily wipe out the £2bn of pre-election tax cuts contained in the 1986 version of the Medium-Term Financial Strategy."

Even with a PSBR target lower than originally expected, Mr Lawson's economic package still involves expansion through the increase in asset sales from £2.6bn to the current financial year to £4.7bn next year.

"The Chancellor has been able to emerge from the last year with his PSBR forecast unscathed," says Mr Davies of Simon & Coates, "but privatisation has made the PSBR a garbage statistic anyway. Much more important is the rise of almost £3bn in the public sector financial deficit which has been disguised by extra privatisation, and which Mr Lawson still seems keen to bury in small print."

"Basically, without admitting it, the Government has now accepted the argument for reacting to lower oil revenues by raising public borrowing."

Ebullient Chancellor scoffs at strategy's critics

Philip Stephens hears Nigel Lawson's bullish view of the economy

clined to answer some of the more difficult questions left open after Tuesday's Budget and unwilling to give any hostages to fortune on key issues such as unemployment and the European Monetary System.

The balance of advantage had tipped further towards full membership of the EMS but it was impossible to say whether the Government would take sterling in to the exchange rate mechanism in the lifetime of this parliament.

Sterling's status as a petrocurrency had been significantly diminished by the collapse of the oil price but it was still there, threatening to push the pound in the opposite direction to other European currencies if prices continued to gyrate.

The Chancellor did not quite dispel the view widely held in Whitehall that it is Mrs Thatcher and not he who is still against membership.

That question was answered with the straightest bat he could play.

On unemployment Mr Lawson was keen to stress that Britain's problem was not that much worse than that of other major industrial countries. When making comparisons, however, he prefers to use the European Community average. Instead of the broader Organisation of Economic Co-operation and Development figure which includes the relatively new rates for Japan and the US.

The outlook for the jobs here was the best for some time, he said, but the Treasury was not in the game of putting a specific forecast to that expectation.

On interest rates he was keen to hold out both the possibility of a rate cut and the possibility of a rate rise, but he has recently characterised his approach to the Confederation of British Industry. Borrowing costs should fall in parallel with declining inflation and lower interest

rates abroad but whether British rates would drop to levels comparable to those of major competitors depended on factors outside his control.

The Government, he insisted, would not waver from its determination to beat inflation even if that meant higher interest rates.

The outlook for inflation certainly does suggest that interest rates might come down... but if monetary conditions require I shall not hesitate to raise them," he said.

The message was one that the Chancellor has been trying to get across for the last three years. High interest rates would be needed to squeeze out inflation as long as British earnings, and crucially, unit wage costs were rising much faster than those of its competitors.

Unfortunately the T treasury unfortunately the Treasury's forecast along with the Budget, projects a slight

increase in the pace of growth of unit costs this year to an annual 4 per cent, from 4 per cent in 1985.

Eventually, Mr Lawson's plans to promote profit-sharing in British industry to help overcome the rigidities of the economy might help. But that "is a very long term thing. I don't expect any quick results," he says.

The timescale for a 25p basic rate of income tax is also quite hazy. The Chancellor said he sincerely hopes that it will not take another six years to cut the rate from 23p, but then adds speculation of a 4p cut next year "an extraordinary idea."

Sh when? "I don't know. It is impossible to say. It's a matter of how soon the scope arises in the context of the Medium Term Financial Strategy."

The betting in Whitehall is that some of that scope will come before a general election, due at the latest in June 1988—or two Budgets' time.



Nigel Lawson: "Outlook for jobless best for some time."

Ministers welcome plans to aid long-term jobless

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

MINISTERS are confident that the employment measures announced in the Budget will begin to reverse the upward trend in long-term unemployment later this year.

Lord Young, the Employment Secretary, said yesterday that the package of proposals reported in an interview at the way in which the Government Jobcentres would work, and in the type of help offered to the long-term unemployed.

Political concern about the 1.3m who have been out of work for more than a year is increasing because of fears that even if overall unemployment begins to decline the long-term unemployed may still be without jobs. The Government is, therefore, supporting a one-to-one approach to improve their skills and motivation and make them more attractive to employers.

Under the new Restart programme everyone out of work for a year or more will be entitled to an interview at the local Jobcentre, and where necessary to basic training in job-seeking skills. Jobstart allowances of £20 a week will be available to long-term unemployed people for six months if they take jobs paying less than £80 a week.

In January employment in nine interviews in the pilot areas has been tried out on a pilot basis but by about 1 per cent, compared with a slight national rise. The reasons for this are uncertain, but are likely to have included the extra help given to the long-term unemployed plus the possibility that some individuals, supposedly unem-

ployed long-term, who were actually working stopped claiming benefits.

This evidence encourages ministers to believe that the problem can be attacked by the Budget measures. If the fall in unemployment in the nine pilot areas had been repeated throughout the country it would have meant a 30,000 drop in jobless figures.

The measures are the Department of Employment's response to the Commons Employment Select Committee, which recently called for a £3.3bn job creation programme to help reduce long-term unemployment.

Ministers believe that the Restart scheme is more likely to lead to real jobs, and is, therefore, better than offering temporary employment on schemes.

"This approach combines being cheaper for the taxpayer and more effective for the unemployed," said Mr Kenneth Clarke, Paymaster General and Employment spokesman in the Commons.

The Manpower Services Commission's employment division staff will increase from 8,000 to 10,000 to cope with the interviewing programme, which will take about a year to complete.

Out of more than 10,000 interviews in the pilot areas only 121 applications were received for the £20-a-week Jobstart allowance. But Lord Young believes this will increase now that the scheme is a national one and greater publicity is given to the existence of the allowance.

The young unemployed are

most likely to be priced into work by the allowance. Older unemployed people with families sometimes see little point in taking jobs which pay little more than benefit levels.

Another measure, the New Workers Scheme, is also aimed at young people. This will pay subsidies of £15 a week to employers who recruit 18 and 19-year-olds at less than £55 a week, and 20-year-olds at less than £65.

Ministers hope this will increase the chances of employers retaining young people in employment at the end of the new two-year YTS, which begins next month.

"This means that we now have a three-year package for young people," said Lord Young. Employers were being offered remarkable financial incentives over three years to recruit young people.

Lord Young and his colleagues have never made any secret of their belief that relatively high youth pay rates are a factor in employers' reluctance to recruit young people.

A combination of two-year YTS and the New Workers Scheme means that the Government has introduced a three-year scale of pay grades for young people taken on under the schemes — £27.60; £35; and £55.

If YTS becomes the normal route to work for school-leavers, and the New Workers Scheme proves popular, ministers will have succeeded, albeit by the use of subsidies, in introducing a system of lower youth pay akin to the West German model.

Warm reception for personal equity plans

By Eric Short

THE investment market has welcomed the concept of personal equity plans, already known as PEPs, announced in the Budget to encourage wider share ownership.

However, there is widespread disagreement on concern over the cost to the investor of using PEPs for UK equity investment and the Chancellor is likely to be high after a few years. At the very least, existing shareholders can be expected to make maximum use of the provisions by switching part of the share portfolios into PEPs.

A married couple will be able to switch shares worth £1,800 each year into PEPs, a figure which may be raised in line with inflation. After five years they will be able to switch £24,000 of equities into their PEPs and to re-invest their dividends free of tax.

At present, about 25 per cent of UK equities are owned directly by individuals. Five years after the introduction of the scheme, the Chancellor is likely that three-quarters of those shares will be held through PEPs. Only the most lethargic, ill-advised or largest shareholders will continue holding substantial portfolios in the normal way, as this would make their returns liable to income and capital gains tax.

In addition, the PEPs should attract new investors into UK equities. The success of the scheme will depend on the success of British Telecom and employee share schemes in widening share ownership has helped create the right climate for a reversal of the trend away from the individual shareholder. UK companies themselves may do more to encourage individual investors to take stakes, particularly in the case of greater loyalty to existing management in takeover battles.

Investment trusts, such as Foreign and Colonial, Globe and the Scottish American Investment company, have already been able to make their annual reports more accessible to individuals and to facilitate the buying of their shares and re-investment of dividends.

It is not yet certain that investment trusts will qualify as recipients of PEP money as the Government is determined that nothing should dilute the principle of direct share ownership and unit trusts have been excluded. However, industrial companies may be tempted to sample it by promoting their individual investor relations. So far, the growing threat of takeover.

The life companies' general reaction is one of wait and see. But Mr Alan Duggin, managing director of Crown Financial Management, is enthusiastic over the potential of PEPs. Life companies have the marketing outlets for PEPs. But Mr Duggin sees PEPs as just part of a products range offered by companies like himself.

No investor, he claims, should be sold PEPs, with its narrow equity base, for the first £2,400 of investment. It should be sold on top of building society, unit trust and regular savings life plans.

Company structures likely to change to meet proposals

BY CLIVE WOLMAN

THE BUDGET proposals for the introduction of tax incentives to encourage individuals to own directly UK equities are likely to lead to big changes in the way companies are structured and financed.

The proportion of shares that will be held through the personal equity plans (PEPs) proposed by the Chancellor is likely to be high after a few years. At the very least, existing shareholders can be expected to make maximum use of the provisions by switching part of the share portfolios into PEPs.

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Shell and BP refuse to absorb duty rise

By Max Wilkinson, Resources Editor

TWO OF the big oil companies, Shell and BP, decided yesterday to ignore the Chancellor's Budget advice to absorb the 7p per gallon increase in petrol duties announced on Tuesday.

The companies said prices would go up on Saturday when they expect to have exhausted their present stocks on which they have already paid duty at a lower rate.

However, Mr Nigel Lawson came back strongly yesterday, accusing the companies of being "foolish" and "silly" to raise prices.

At a news conference at No 11 Downing Street, the Chancellor said: "I think it is pretty clear, after what has happened in the oil market and the degree of competition at the pumps, that if they are to put up prices because we have just come out of a period of heavy losses."

BP Oil said pump prices would rise from Saturday. It added: "We have to do this because we have just come out of a period of heavy losses."

Mr Bob Reid, chairman of Shell UK, said last year oil companies passed on the Budget increase without objection from the Treasury, although the pump price was then 20p a gallon. It seemed odd, therefore, that they should be ticked off this year for doing the same thing when the price was around 174p a gallon.

Oil companies were still working their way through the maze of higher-priced oil, which the Government had obliged the companies to keep. These stocks were equal to almost three months' worth of consumption. The actual price paid for oil going into refineries was therefore considerably more than the present price on spot markets.

Mr Reid said that in the first quarter of the year, Shell would do little more than break even because it would have to absorb a loss of around £100m in the value of its oil stocks when they are distributed.

The share price of a company will act as a signal for encouraging higher distributions. High pay-out ratios and dividend yields tend to attract investors of a company to both PEP investors and pension funds. Its shares will consequently be rated more highly. Managers, who increasingly see their job security tied to their company's share price, will not be able to ignore this factor.

Of greater significance is the fact that a large body of non-taxpayers, shareholders will encourage company managers to distribute a higher proportion of their profits as dividends to reduce their company's and their shareholders' tax liability. At present less than 40 per cent of historic pre-tax profits are distributed.

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Esso, the third of the "big three" in the UK with about 20 per cent of the petrol market, said yesterday it was still considering how to react to the duty increase.

Shipping industry attack

THE GOVERNMENT'S failure in the Budget to face up to its responsibilities for ensuring the survival of the British shipping industry was condemned yesterday by Sir Brian Shaw, president of the General Council of British Shipping.

In a speech to the Command Seminar at Trinity House in the presence of the Duke of Edinburgh, Sir Brian emphasised the disastrous impact of the Government's withdrawal in 1984 of the favourable regime for tax depreciation which had been the mainstay of the British shipping industry's ability to compete.

Sir Brian forecast what might happen to the UK-owned and registered fleet.

The fleet, which had stood at 50m dwt in 1975 and had shrunk to 16m dwt at the end of 1985, would continue to shrink perhaps to little more than 5m dwt in 1995.

However, the number of staff employed by the Inland Revenue is expected to fall by 1,000 to 68,300 over the next year in spite of the huge arrears of work. The number of staff in the DFP office, on the other hand, will leap by more than 200 per cent from 1,200 to 3,750 during the next year.

NUPE attacks 'phony' jobs

MR RODNEY Bickerstaff, general secretary of the National Union of Public Employees, said the Chancellor was offering "more bloated promises of phony jobs on short-term, low paid community project schemes." The Budget for the low pay but a leap into a pool of riches for the City. The Budget would cause anger and disappointment among Britain's 9m low paid workers, said the Low Pay Unit.

Public spending confusion should soon be resolved

BY ROBIN PAULEY

A LITTLE-NOTICED document published with the means of spending departments on a basis consistent with the departmental spending plans in the public expenditure White Paper.

The supply estimates for expenditure which will have to be voted by parliament for 1986-87 total £99.1bn, of which £74.6bn is public expenditure. The remaining £24.5bn includes transfers within the public sector such as the rate support grant payments from central to local government.

One table in the supply estimates summary indicates one of the difficulties of controlling

public spending. Of the £99.1bn of voted expenditure in 1986-87, only £58.3bn or 59 per cent is cash limited. Areas not subject to cash limits include all the social security estimate where payments are demand-led, and a third of the budget for health and personal social services. Here, items such as GP services and prescriptions are all demand-led as are many Home Office expenditures such as the prison service.

The new format also provides details of the running costs of each government department together with the manpower estimates. The total gross provision for running costs for

1986-87 is £12.6bn, 6 per cent higher than the 12.0 per cent of £11.98bn for 1985-86.

The total number of civil servants has fallen by 18.5 per cent since 1979 and is estimated to be 600,072 for April 1, 1986. But the rate of fall will now slow down and the total is estimated to be 599,768 by the end of 1986-87.

One reason for the slowdown is the need to increase staff in some departments. This means that some central government departments will suffer an increase in running costs greater than the average 6 per cent.

The remorseless increase in unemployment, for example,

means that more and more people need social security payments.

An £82m increase has been allocated to the Department of Health and Social Security to deal with the benefit office workloads. The total DHSS staff is expected to have to rise from 93,400 to 96,676 by the end of 1986-87.

This means that because unemployment has become so much worse than the Government expected, there will be 3,300 more staff employed in the DHSS than planned for April 1987.

Other rises in administration

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## Base Rate

With effect from the close of business on Wednesday, 19th March 1986 and until further notice, TSB Base Rate will decrease from 12.50% p.a. to 11.50% p.a.

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Trustee Savings Bank Central Board, PO Box 33, 25 Milk Street, London EC2V 3LU.

## Bank of Scotland Base Rate

Bank of Scotland announces that, with effect from 19th March 1986 its Base Rate will be decreased from 12.50% per annum to 11.50% per annum.



## Clydesdale Bank PLC

### BASE RATE

Clydesdale Bank PLC announces that with effect from 20th March 1986, its Base Rate for Lending is being reduced from 12½% to 11½% per annum

## Lloyds Bank borrowing rates.

Lloyds Bank Plc has reduced its Base Rate from 12.5 per cent to 11.5 per cent p.a. with effect from Wednesday, 19 March 1986.

All facilities (including regulated consumer credit agreements) with a rate of interest linked to Lloyds Bank Base Rate will be varied accordingly.

The change in Base Rate will also be applied from the same date by the United Kingdom branch of The National Bank of New Zealand Limited.

With effect from 27 March 1986 the standard rate of interest charged for overdrafts without prior arrangement will be, on a daily basis, 2 per cent per month - this is equivalent to an effective annual rate of 26.8 per cent on accounts charged monthly; 26.2 per cent on accounts charged quarterly.



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## Grindlays Bank p.l.c. Interest Rates

Grindlays Bank p.l.c. announces that its base rate for lending will change from 12½% to 11½% with effect from 19th March 1986



A member of the ABN Group of Companies  
Head Office: Grindlays Bank plc, Minerva House, Montague Close, London SE1 9DH.

## Barclays Bank Base Rate.

Barclays Bank PLC and Barclays Bank Trust Company Limited announce that with effect from 19th March 1986 their Base Rate was decreased from 12½% to 11½%.



Reg. Office: 54 Lombard St., EC3P 3AH, Reg. No's 1026167 and 920880.



Courts & Co. announce that their Base Rate is reduced from 12.50% to 11.50% per annum with effect from the 19th March, 1986 until further notice.

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- Mr David Trippier, MP....
- Mr Michael Herbert....

## National Westminster Bank PLC

NatWest announces that with effect from Wednesday, 19th March, 1986, its Base Rate is decreased from 12.50% to 11.50% per annum.

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41 Lothbury London EC2P 2BP

## bank leumi (uk) plc Interest Rates

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Standard Chartered Bank  
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Tel: 01-280 7500 - Telex: 889951



## YORKSHIRE BANK Base Rate

Yorkshire Bank announces that with effect from close of business on WEDNESDAY 19th MARCH 1986 Base Rate is reduced from

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Den norske Creditbank (Luxembourg) S.A., established in 1974 as the first DnC foreign subsidiary, has Continental Europe as its principal marketing area. In 1982 we moved into our own office building in the financial center of Luxembourg. Total consolidated assets amount to ECU 57 billion, and we employ a staff of approximately 90 people. DnC Luxembourg has a banking subsidiary in Amsterdam, and representative offices in Rotterdam and Hamburg.

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For further information, please contact Ole H. Aamodt, Managing Director, tel.: 352/21101. Written applications, which will be treated in strictest confidence, should be addressed in English with a resume and copies of references to:

Den norske Creditbank (Luxembourg) S.A.  
Boite postale 297  
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THE ARTS

A Midsummer Night's Dream

Martin Hoyle

The Donmar Warehouse in Covent Garden is playing host to the Cheek by Jowl company...



'Faraway Thoughts' by Charles West Cope, RA

Interiors/Roy Strong

Pregnant moments

Only last month I wrote of the present cult of interiors; the exhibition People and Rooms at the Christopher Wood Gallery...

Made in Bangkok/Aldwych

Michael Coveney

Never having been to Bangkok, I am prepared to accept Anthony Minghella's impression of it as a fornicator's paradise...

They visit temples together while everyone else on the 'Eastern Promise' party is off gawping and guzzling...



Felicity Kendal and Peter McEnery

Tennstedt/Festival Hall

Andrew Clements

The London Philharmonic welcomed back its principal conductor on Tuesday. After six months away from the concert hall to overcome cancer of the throat, Klaus Tennstedt appears back to his familiar, highly charged self...

the development was a thing of delicate shades and memories, and the coda arrived with conclusion and brutality...

Park Lane Group/Purcell Room

Paul Driver

The second of the Park Lane Group's distinctly unenlivening series of British String Quartet concerts took place at the Purcell Room on Tuesday...

Double Bill/The Place

Richard Fairman

Opera has always done well with the Camden Festival. This year, as well as the usual selection of forgotten masterpieces...

LSO signs with the City and pays tribute to Bernstein

The London Symphony Orchestra has finally signed a new, open-ended, contract with the City Corporation...

Arts Guide

Exhibitions

PARIS: Homage to Paul Delvaux. Distant and solitary in their cool perfection, their large eyes unworldly...

Musée/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Mar 14-Mar 20

Salerroom/Antony Thorncroft

'Hidden' silver disappoints

Christie's did not quite get the \$100,000 plus that it was expecting for a silver wine cooler and platter which had been made for Ernest Augustus...

A pair of George IV, partly fluted, two-handled, vase-shaped wine coolers, by Richard Sibley, 1821, realised £17,200...

**FINANCIAL TIMES**

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Thursday March 20 1986

**ECONOMIC VIEWPOINT**

**The post-Budget challenge**

By Samuel Brittan

**Euro-pasta: a failed recipe**

**TWO** ARCADE tales out of Brussels in recent days raise hopes and prompt fears for the development of a true common market for goods and services in Europe. The good news is that the Commission has submitted a directive to the Council on the qualities required of pressure vessels. For the first time, this directive embodies a new and streamlined approach to establishing European product standards.

After six months of discussion a committee of experts has been able to slim a product directive covering everything from scuba tanks to gas lighters down from 80 pages to five. This is because the new approach, adopted by EEC member governments last May, no longer seeks to lay down how such vessels should be constructed, only the safety criteria they must satisfy.

Manufacturing norms will be left to national standards institutes and there will be a presumption that these norms meet Community standards, and thus permit sale throughout the Community, unless they are specifically challenged and found wanting.

**Less explosive**

If this pressure vessels directive is accepted by the Council—as it is expected to be—it will represent an important first step towards the de-nationalisation of the EEC and the free movement of goods across Europe. The most encouraging thing about it is the way that officials of the national governments have not sought to insist that every peculiarity of national pressure vessel industries is there for safety reasons and must therefore be built into the EEC directive.

The same elixir has not held true in the less explosive matter of pasta. The thrust of Commission policy over food standards—not yet formally accepted by member governments—is similar to that adopted for products. There will be broad directives covering basic and safety aspects of labelling, packaging materials, additives, manufacturing processes and so forth. Beyond these, food considered saleable in one country will be saleable in all.

**Reshaping of the Stock Exchange**

**THE** PLAN to raise the proportion of lay members of the London Stock Exchange's ruling council from one-tenth to between a quarter and a half, and to reduce the number of council members rose to 47, including bodies. Until recently—there were no lay members at all until 1983—the council was concerned with running a club. Now competition is becoming fierce, and any market that fails to make itself aware of the needs of its clients, and potential clients, is running grave risks.

Inevitably there are strong US influences on what the Stock Exchange is doing. The committee drawing up the new proposals has studied the governance of bodies such as the New York Stock Exchange, the National Association of Securities Dealers and the American Stock Exchange and, although it claims it has not followed any particular model, the precedents must be relevant.

US exchanges are in more or less direct competition with each other, and are at the margin. Securities firms are often members of several, or many, exchanges and thus have diversified interests. In these circumstances exchanges are motivated to forge closer contacts with their users; both investors and listed companies. In the US exchange officials spend much of their time marketing to corporate clients.

**Unwieldy council**

Bringing outsiders on to exchange councils is also encouraged by regulators and is certainly a preoccupation of the Securities and Investments Board in the UK, though precise rules have yet to be drawn up. This is particularly relevant given the framework which is proposed for investment exchanges in future, with the exchanges being separated from the self-regulatory organisations which will be responsible for securities firms and practitioners though it is still probable that the Stock Exchange itself will retain its traditional dual role of SRO and exchange.

In the new conditions, members of various SROs are likely to have access to the different exchanges, which could include an international equities market and an over-the-counter market as well as the existing Stock Exchange markets in equities, gilts and traded options.

**A**FTER a further 24 hours of reflection, one is struck by the political ingenuity of the Budget—finding so much to announce, with so little real room for manoeuvre—its intellectual boldness in one respect, but also its Toryism.

For make no mistake, the financial reliefs give most help to the middle end upper groups. Top earners' gains from the 1p cut in the basic rate may have been trimmed by the less-than-full indexation of upper rate thresholds.

But the really big gain for personal property owners is the abolition of the tax on gifts *inter vivos* which restores the status of death duties as voluntary taxes—except for those who die unexpectedly young. Having known him for many years, I still do not understand why the Chancellor should have such an unreciprocated affection for the Tory Party and its traditional interests, even though he does not aspire to lead it.

The Chancellor was obviously delighted at the discomfiture of the shallow "What will we do when the oil runs out?" school of thought. As he pointed out because of the fall in the price, the economy had made in 25 weeks an adjustment which critics such as Lord Aldington thought could not be made in 25 years.

**Eternal vigilance**

Such a recipe law would contradict the emerging policy of allowing food products to survive on their merits through-out the Community, provided they are safe. Such exceptions would doubtless proliferate and lead the Community back onto the nonsensical path towards the Euro-sausage and Euro-chocolate.

The price of the free internal market is eternal vigilance against such pasta directives. A free market will not necessarily ensure the survival of the fittest, and as its opponents fear, property organised it will allow countries and companies to develop reputations for excellence which every consumer in the Community can endorse.

The tightening of Community labelling law, not for reasons of safety, but so that we can all be certain of our durum wheat pasta when we want it.

A European market place able to select excellent products because they are excellent, labelling efforts of governments to direct its choices, will provide a much improved basis for European industry's sales worldwide.

First of all, however, the Stock Exchange needs to cut its unwieldy council of 52 down to size: a maximum of 25 is proposed. Originally 35 up to 1973, the number of council members rose to 47, including the *ex officio* Government Broker, when London merged with the provincial exchanges, and then to 52 with the addition of lay members.

The Stock Exchange is proposing to cut the number of practicing members from 46 to perhaps 16 (plus eight outsiders). At the same time it has to devise a formula for giving representation to the huge new international firms which are being admitted to membership. Merrill Lynch and Nomura became member firms at the beginning of the month and a number of others will be joining soon.

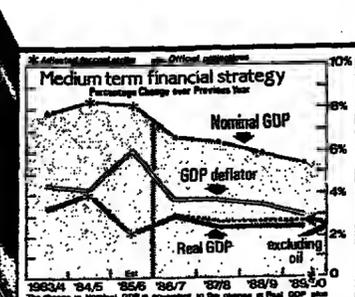
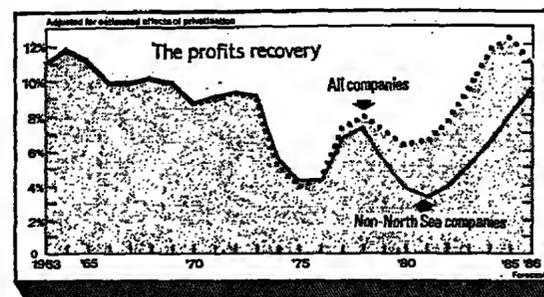
A scheme for the progressive transfer of trading rights from individual members to firms was narrowly rejected by the membership last year but new proposals are likely to be presented in due course.

**Enormous changes**

The transition from club to public service organisation is not an easy one but the Stock Exchange has always been very conscious of its public responsibilities. Moreover, the mood of its members has changed markedly since the wave of insecurity and unrest a year ago. The exchange is in a very different position to that of the Lloyd's insurance market which is at present subject to a Department of Trade inquiry on the workings of its own self-regulatory framework.

But the Stock Exchange will have to cope with some enormous changes in its status over the next year or two. The prospect of coming under the jurisdiction of a new regulatory body, the SIB, where there was not one before, is already a blow to its prestige.

Most users of the Stock Exchange's facilities will welcome the end of many of the market's more restrictive practices. They will not be so happy, however, if the exchange's high standards are eroded by the pressures of the new deregulated environment. The task for the new council—whichever could take office in mid-1987—will be to ensure that the traditions of the exchange are maintained. It will not be easy.



Unit labour costs in manufacturing

Personal income and expenditure increases

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**New government after coffee**

Only the wizened few among French journalists are old enough to remember the interminable wrangling among would-be and won't-be ministers accompanying the frequent changes of government under the Fourth Republic.

Now that Sunday's narrow right-wing election victory has given France the prospect for the first time since 1958 of a president and a prime minister of different political colours, the French media is having to get used again to the concept that government-forming can be a tedious and time-consuming business.

President Mitterrand, enjoying keeping a whole nation on tenterhooks, provided the main incident yesterday for the Press and cameras camped out in the courtyard of the Elysee Palace for the second day running.

At lunch-time Mitterrand swapped a few solicitous words with photographers keeping their cameras up in the drizzle in preparation for the arrival of Jacques Chirac, the prime minister designate.

Mitterrand asked whether the waiting throng of newsmen was feeling the cold, and hinted that coffee would be served later, although whether this was just another government promise was not immediately made clear.

Ministers in the outgoing socialist administration, meanwhile, were waiting to clear their drawers and pack their suitcases for the last time.

Fati Quiles, the defence minister nominated after Charles Hernu resigned over the Greenpeace affair in October, marked the end of his short stay by dunking an artificial duck bearing his name in an ornamental pool at his headquarters at the Hotel de Brienne. The little ceremony has been followed by all departing defence ministers since 1973.

The loudest signal of the change of government came yesterday at the Louvre, the headquarters until two months

**Men and Matters**

ago of the finance ministry. Workmen remodelling the former ministry offices as part of the museum's extension plans have carried out a Paris-style Big Bang. During the last days of the socialist administration they demolished the office of Pierre Berégovoy, the finance minister.

**No brains**

Meanwhile, the sinking of the Rainbow Warrior, the Greenpeace boat in New Zealand last year may soon have a serious effect upon French eating habits. Cervelles au beurre noir could disappear from the menus of their restaurants.

The French authorities—conscious as ever of the impact upon the man in the street of affairs gastronomic—have started to withhold import licences for New Zealand lamb's brains. Nobody is saying so, but it is difficult to avoid the conclusion that the French are applying sanctions in order to speed the release of their two agents serving sentences in a Wellington jail for complicity in the Rainbow Warrior affair.

New Zealand has complained to the Council of Gatt in Geneva that the French action on lamb's brains is in breach of Gatt rules. Wellington has also asked the Brussels commission to discipline the French.

The Gatt council, however, has been greatly relieved that the New Zealand ambassador, Richard Nottage, has not followed earlier precedents by producing a sample of the goods about which he has complained.

**Dry work**

While Mr Gorbatchev gave himself a generous 51 hours for his



"Hey—they haven't passed on the tax increase since I started filling up, have they?"

address to the recent congress of the Soviet Communist Party, about par for the course, Finnish businessmen and officials who trade and negotiate with the Russians have noted a dramatic falling off in the urge to specificity among the leader's subordinates.

It is suspected that this is not the result of a rutheckle directive from the top. The thing is, say the old Russian hands, that the average Russian official doesn't move into smooth loquacious flow at lunch or dinner unless primed with several glasses of vodka—sod under Mr G vodka-swilling is out. Nowadays, the Russians are almost as silent as those Finns who spend their entire time caring for the vast northern forests and have only a sighing fir tree on which to practise conversation.

A six-word speech is about all we can get out of them these days. They just can't get into the swing of a good speech with nothing but a glass of orange juice under their belts," said an official.

Of course, it does make our meetings more business-like, but all the same there is something missing," he said with a touch of regret. "Dried out, the Russian character just doesn't seem to be what we always thought it was."

**Advertising time**

At the third stroke prepare for an advertising plug. From the end of this month British Telecom's speaking clock will enter the promotional era by mentioning the name of Accurist wrist-watches with each of its 8,640 announcements every day.

The commercial link-up, first merely call in aid a non-too-fanciful three-month trial period. It will be backed by a national advertising campaign by Accurist which, BT hopes, will revive the popularity of the speaking clock service—which is 50 years old in July.

The number of calls has dwindled to fewer than 240m a year from about 300m three years ago. BT believes one reason to be the spread of quartz watches, which are much more accurate than traditional wind-up models and need re-setting less often.

BT is not charging Accurist for the publicity during the trial period, but stands to earn some handy extra revenue if the service becomes a permanent feature.

The plugs would probably cost Accurist a six-figure sum annually.

**Budget measure**

Heard from a woman in Harrod's yesterday: "I think Rodney is happier with the Budget than he was with the last one. He kissed me before he left for the office this morning."

Observer

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Europe's growth cities

Stuttgart: Germany's job creation machine

By Rupert Cornwell

HAPPY INDEED are people who can tell jokes against themselves. "Have you heard how the Swabians invented copper wire?" Mr Manfred Rommel, the large and affable Mayor of Stuttgart, inquires with a grin. "By spending their time rubbing pennies between their fingers."

The point of the story, relayed by the mayor in his office on the first floor of Stuttgart's city hall, is not the legendary diligence and stinginess of the Swabians, but the fact that Baden-Wuerttemberg which it illustrates, nor even that Mayor Rommel possesses a sense of humour, a quality not always associated with his compatriots in Germany.

Stuttgart has become shorthand for most of what is best in the modern West Germany. "This place is doing what everyone else wants to do. If you look at what is right about Germany, then you see it under a magnifying glass here"

extraordinary ability to blend academic and industry. "A lot of intelligence used to be channelled into philosophy and science, but the next generation went into industry," is how Mr Bertold Leibinger, president of the Stuttgart Chamber of Commerce, explains it. As a director of Stuttgart's Bech academy and head of the Trumpf machine tool company, he is well placed to judge.

Mr Spaeth himself has built a political ideology around the need to harness the resources of Baden-Wuerttemberg's nine universities to industry. His



people lived on the land; industry consisted mainly of iron working and textiles. The breakthrough can be dated at July 3 1856, when Carl Benz first drove his patent three-wheeled motorcar—an example of Tuetictivism if ever there was one—through Stuttgart's streets. The rest, as they say, is history. But the city has also profited considerably from an

of the city, and continue to work on public transport. Even the traditional animosity towards flashy, Catholic Munich is waning, despite the fact that Munich exports even more of its output than does Stuttgart, self-styled "partner to the world." That claim is borne out by the procession of foreign delegations trooping through the doors of the chamber of commerce in search of investment, technological aid, and export opportunities from the barons of Wuerttemberg industry.

The old joke about the best prospect of entertainment in Stuttgart being the fast train to Munich is heard no more. "The city is so much more habitable now," argues Mr Wilfried Seidler, representative at the British Marketing Office for Advanced Technology, which since January 1985 has replaced the former consulate.

"It used to be an uninspiring heap of buildings, used in the evenings and utterly provincial in its cultural activity. But in the 24 years I've lived here, it's changed into a metropolis."

Of the city's DM 3.1bn budget, DM 140m goes on the arts. At least as much again is provided by the Baden-Wuerttemberg state government. The fruits include one of the finest ballet companies in Europe, a state theatre restored to its original splendour with DM 50m of public funds, and a futuristic modern art gallery, costing DM 89m, which when it opened in 1984 was the architectural talk of Germany and beyond. Today the museum, designed by the British architect James Stirling, is one of the most frequently visited in the country.

Even so Stuttgart, which has never favoured the hard sell anyway, has not abandoned its old habits. Indeed, why should it? Nobody wants Munich's glitz. Stuttgart is instinctively clubby and proud of itself. "We have no need for charlatans here," says Mr Thomas Loefelholz, editor of the Stuttgarter Zeitung newspaper. "The Swabians want continuity."

In their politics they have it. Mr Rommel, a Christian Democrat and best known abroad as the son of a wartime field marshal, is only Stuttgart's second mayor since 1945. He is in the middle of a second eight-year term which runs until 1990. At state level it is the same. The wealth of the region, its specialisation in high technology industries and the liberal professions, means that the Free Democrats, close to small business, and especially the Christian Democrats dominate.

Spaeth won an absolute majority at the last Land election in 1984. The CDU is as unlikely to lose here as the CSU (of Mr Franz-Josef Strauss) is in Bavaria, in an observation that is commonplace.

There are drawbacks of course though most are those of success. The traffic (there is almost one car for every two of Stuttgart's 550,000 inhabitants) can be appalling; geography makes the construction of highways difficult. Geography also means that the city centre, enclosed by hills, can be stickily hot and sticky in high summer.

Businessmen complain about the inadequacy of the airport, although Lufthansa is soon to introduce a direct daily link with New York. Housing too is scarce and expensive, not least for the executive moving to the city. One recent arrival remembers how his house in Bonn, the capital, cost DM 450,000. "You'd have to pay DM 1m for the same thing here."

Mayor Rommel would also like to reverse the drain in population from the city. In 15 years it has lost 78,000 inhabitants who now prefer to live outside and commute. One-fifth of those who are left are foreign, a proportion second only to Frankfurt in West Germany proper.

The likelihood is that jobs will remain plentiful. One economist says: "Right now there's a shortage of unqualified labour, be it skilled tool operators or good secretaries. Honestly, I can't see how that's going to change in the short run. As long as West Germany does not go bang, then we will stay up at the top." Or as Mr Leibinger puts it: "In today's world, Germany must use well-educated people to produce high value-added goods. And that is exactly our strength."

This is the second in an occasional series on Europe's growth cities.



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Financial Services Bill

An essential amendment

By Anthony Nelson, MP

STANDING COMMITTEES on Bills proceeding through Parliament often display two characteristics: the Government, with its built-in majority, gets its way; and MPs on the Government side, in order not to inhibit progress, are disinclined or even discouraged from speaking.

The Financial Services Bill, which is completing its Committee Stage in the Commons, defied convention in both respects. True, the Government got its Bill through largely intact, thanks to the able piloting of Michael Howard, the Minister responsible. But significant amendments were passed and assurances given at the instigation of Conservative MPs on the committee to ensure that investor protection was firmly entrenched in law.

One such amendment gave statutory recognition to the Securities and Investments Board. Because of the uncertainty that has ensued about the purpose and implications of this change some explanation of its objective is necessary.

First let me explain what it does not do. It does not establish an American-style Securities and Exchange Commission; arguably it stands as a bulwark against such a possibility by making it less easy for a future government of different political persuasion to sweep aside a more fragile and discretionary framework of supervision.

Secondly, it does not undermine the principle or practice of self-regulation and the flexibility this will allow to enable markets and practitioners to respond to changing circumstances. This is still provided for in the structure of Self-Regulating Organisations which will enjoy significant degrees of authority and autonomy.

What the amendment does is to identify the SIB in law as the only body to which the Minister can transfer powers. In doing so it gives the SIB the statutory authority and a greater responsibility to exercise those powers. There are political and practical arguments for this.

First, public and City opinion has moved markedly on this issue in recent times. Many experienced and responsible practitioners now see some form of statutory supervision

as not just inevitable but desirable. Secondly, this amendment was passed with support from all the major parties. If the financial services industry is to conduct its business secure in the knowledge that the regulatory framework enjoys all-party support rather than with the possibility of repeal, Parliament surely has a responsibility to enact law which enjoys the maximum consensus.

Thirdly, if international markets are to compete on a free and fair basis there is something to be said for establishing a similar system of regulation to that adopted in other countries.

Fourthly, the SIB can only exercise certain essential powers of supervision and regulation reserved for the Secretary of State if it is a statutory body rather than a private sector body.

Most members of the public who follow these matters assumed that the framework of investor protection would provide adequate powers of investigation, enforcement and prosecution. But the Bill falls short on what is needed because the Government was not prepared to give such powers to a private sector regulator. Now that the SIB is a recognised statutory body the way is clear for it to be given these powers which the Minister has seen fit to confer on himself in the Bill.

The most respectable arguments against the change are that the SIB might be less accountable or find it more difficult to hire the right expertise. Both arguments are defective as the SIB would remain accountable to the Government who could if it saw fit change either the composition of the SIB or its remit. Moreover, there is no reason why the SIB cannot fix salaries for its staff, in the same way as the Audit Commission for Local Authorities.

The Government has said it intends to try to reverse the amendment during the Report stage. There is, however, time for ministers to change their minds and perhaps learn from the example of the Lloyd's Act that what appears sufficient at the time may prove inadequate with hindsight.

The author, Conservative MP for Chichester, is a member of the Financial Services Bill Standing Committee.

An excess of litigiousness

From the President, Institute of Chartered Accountants in England and Wales

Sir—Your leader of March 12 correctly identified the dire consequences of an excess of litigiousness. This is, as you said, a disease which threatens to sap the economic vitality of the US.

The British Government would do well to learn from the American experience. Professional practitioners in this country are already finding that insurance cover is drying up, and the Government's plans for regulation of the financial services industry could be in jeopardy. Auditors are being asked to take on more and more onerous reporting responsibilities, and thereby to take on greater potential liability. Their exposure is being increased, but many are finding that no more insurance is available. Without a ceiling on their liability, some are sure to follow the example of America's doctors and confine their activities to less-complex areas.

Whose surplus is it?

From Mr P. Meins

Sir—Your report of the judgement in the Imperial Foods pension scheme case (February 25) raises questions about both the existence and the ownership of surpluses in pension funds.

According to the judge the surplus in this case was only "notional" and "temporary" and it was not appropriate to apportion it when the pension fund had to be split, following the sale of a company in the group scheme. No surplus therefore needed to be transferred and the full amount was retained in the on-going

Letters to the Editor

entire buildings in concrete or posting armoured guards for the next few centuries are the only practical ways of dealing with these radioactive legacies?

To extend this analogy with care, would Mr Watts consider ordering his next new car if he were advised that the exact cost of scrapping the vehicle is currently unknown and will certainly cost more than the new purchase price?

Stewart McKenna, 50 St Mary's Street, Edinburgh.

Low price French electricity

From Mr D. Ross

Sir—You are being unfair, unintentionally I am sure, to our electricity supply industry when you refer (March 5) to the "cheap electricity" which we shall be importing from France, without recording how the low price is achieved. Electricite de France trades at a loss, and has done so since it almost in the class of a Third

Frightened of a world of free exchange rates

Germany and France means that every so often there will be a lumpy change. Instead of watching the financial markets on a day-to-day basis the speculators watch the politicians. They know that a French Socialist Government will not devalue just before a national election so they play their game of advance and retard on currency conversions on the assumption that a new government will have to devalue soon after the election. The pattern has been repeated ad nauseam. At worst the crochets of the decision making politicians have lined their pockets. Even without this, currency adjustments become matters of national pride which in themselves have a distorting effect on the free market in money.

One suspects that the UK Government committed to the restoration of a free market economy (which implies a free market in money as well as everything else) is currently having to contend not only with the exponents of the alternative dirigiste philosophy but of those

World subsistence economy. It owes FFf 200m, equivalent to £110 million, and it borrows FFf 30m annually. Its foreign borrowings stand at FFf 80bn.

The French Government has secured its foreign loans. By contrast, the British Government requires our own Central Electricity Generating Board and the South of Scotland Electricity Board to trade in the black and they have succeeded magnificently in recent years.

The export of subsidised French electricity to this country is dumping, a practice usually frowned upon by upholders of commercial prudence. David Ross, 55 Russett Park House, Champions Hill, SE5.

Who is backing Britain?

From Mr A. Price

Sir—Just who is backing Britain and in particular Britain's manufacturing industry? We often hear the union's view that the relaxation of exchange controls has led to a flood of private money going overseas which should be in British hands. But where do the trade union pension funds invest? Are they backing British industry? I am sure that if they took a positive lead, then the private sector would follow.

It is a plea pleading that the cost of funds are managed at arms length by advisors. They could and should direct their funds into backing Britain. But are they?

A. J. M. Price, Arthur Price & Co, Brinkley Way, Litchfield, Staffs.

Supporters who went along with free market ideas because they were fed up with socialism, but who are as frightened of opening their eyes to the realities of a world of free exchange rates as they are to the realities of unfettered Sunday shopping. They need educating.

The case against EMS is not that the UK might gain or lose a short term exporting advantage, but simply that giving a country a distorted (i.e., government-manipulated) fixed exchange rate is like compelling a doctor to use a thermometer that only shows the temperature that some external administering authority thinks the patient ought to have. The consequences can be had for the doctor's learning curve and disastrous for the patient. Let us have no more special pleading for the exchange rate follies of EMS.

Dryden Gilling-Smith, EBS (Management), 38 Finsbury Square, EC2

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FINANCIAL TIMES

Thursday March 20 1986

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Philip Stephens in London examines a new phase in world monetary co-operation

Group of Five starts to act as one

A YEAR AGO the idea of concerted intervention on currency markets followed by co-ordinated cuts in interest rates would have been dismissed by most central bankers as at best wishful thinking.

Since last September's meeting of the Group of Five (G5) leading industrial nations in New York they have managed to orchestrate both. Even the most pragmatic among a traditionally arch-conservative club have begun to talk positively about the possibility of a new era of international monetary co-operation.

The expectations of the financial markets, however, have run ahead at an even faster pace. The greatly enhanced co-operation of recent months has encouraged speculation that the industrialised world could be moving towards a formalised synchronisation of exchange and interest rates.

Now, in the run-up to a series of major international meetings beginning next month, some of the key players on the international monetary scene are cautioning against the idea of any dramatic new initiatives.

The meetings begin in Washington at the interim committee of the International Monetary Fund, transfer to Paris for ministerial talks at the Organisation for Economic Co-operation and Development and culminate in the Tokyo world economic summit on May 4.

On the sidelines finance ministers and central bank governors of the G5 (the US, Japan, West Germany, France and Britain) will review the impact of the sharp fall in the dollar's value and the possible scope for further cuts in interest rates.

Part of the discussion is likely to

focus on whether governments should seek to move to a system of target or reference zones for exchange rates, an idea formulated by the outgoing Socialist administration in France.

Although the idea was rejected in a comprehensive study published by governments last summer, the New York agreement and the conversion of the US Administration to an interventionist exchange rate policy have put it back on the agenda.

Mr Jacques Attali, a special counsellor to President Francois Mitterrand with responsibilities for monetary affairs, recently detailed a four-stage plan which would lead to target zones for the dollar, yen and European currency unit (Ecu).

Senior officials in other European countries, notably Britain and West Germany, are far from convinced, however, that the time has come to move to exchange rate targets.

Mr Karl Otto Pöhl, president of West Germany's Bundesbank, is optimistic that next month's talks will further strengthen co-operation between the rich nations. He points to the lead given by the Bundesbank in the latest round of interest rate cuts as evidence to West Germany's commitment to such policy co-ordination.

It is sceptical though over whether it would be practical or desirable to seek a formal system of target zones for exchange rates. Greater exchange rate stability, he said, is a universally shared goal - rather like good weather. But some of the advocates of target zones were overlooking both the advantages of floating rates and the difficulties of moving to formalised targets.

The flexibility of floating exchange rates, for example, allowed Europe to decouple its interest rates from the US when the dollar was rising in the early 1980s. In the previous decade the same flexibility allowed West Germany to stick to a tough anti-inflation policy while prices elsewhere were soaring.

"We think it is not possible and not advisable for us to commit ourselves to any kind of fixed exchange rate... Of course we can discuss certain targets, certain reference zones, whatever it is, but I would not accept any commitment to defend a certain exchange rate," Mr Pöhl said.

Britain, which appears to be playing an increasingly back-seat role in international monetary affairs, is even more sceptical. Despite the increasing emphasis placed on the exchange rate in monetary policy, sterling's buoyancy over the past year in response to lower oil prices has left Mr Nigel Lawson, Chancellor of the Exchequer, unconvinced of the virtues of formal exchange rate targets for the world's major currencies.

Yesterday's UK interest rate cut leaves its borrowing costs still at a level considerably higher than those of its competitors. The closer co-ordination of exchange rate policies has also not been without its problems. When the dollar was at its peak, it was easy for governments to agree that it must fall substantially. Now, with the US currency worth around 20 per cent less, there are strong undercurrents of disagreement about how far and how fast it should decline further.

US officials have talked about another fall of between 10 to 15 per cent, but it is clear that Japan

would prefer the US currency to stabilise at around present levels. Earlier this week Mr Noburu Takeshita, Japan's Finance Minister, hinted at the possibility of unilateral intervention by the Bank of Japan if the dollar continued to slide.

There are also suspicions within Europe as to how long the new mood of co-operation in Washington might last. "The problem is that US policy is dictated primarily by domestic considerations. A change in circumstances could easily prompt a US retreat into isolationism," one senior European monetary official commented.

There are also differences about the scope for further cuts in interest rates. Key figures in the US administration favour further reductions in Europe and Japan, but the Bundesbank, for example, is concerned about the build-up of liquidity in the major industrial economies.

Virtually every central bank has been overshooting its monetary targets, a trend reflected in the recent surge in stock market prices throughout the world. The inflationary potential has been offset by the collapse in the world oil price, but there is concern that lower fuel costs will provide only a one-and-for-all offset.

Against that background central bankers see the potential for further pragmatic co-operation and do not rule out further reductions in interest rates later this year if they are consistent with monetary targets.

"I expect a further impetus, further incentives for closer international co-operation... but I don't expect any spectacular decisions, which would lead us to a new world monetary system. That's not realistic," Mr Pöhl said.

Writing on wall for bad Chinese characters

By Robert Thomson in Peking

NOW THAT the anti-spitting campaign has dried up and the drive against dangerous cycling has slowed, pre-pubescent Chinese children are roaming the streets of Peking in "wrong-character correction teams" looking for sloppy calligraphy.

The crackdown on bad writing is being led by the Young Pioneers, some of whom are giving their parents dictation tests in an attempt to raise calligraphic consciousness. Others are scouring the streets for public signs with "bad characters".

The use of children in the campaign follows a widely publicised letter written by a school class condemning excesses by officials. For some Chinese, it stirs bitter memories of the marauding bands of children, inspired by Chairman Mao, who wrought havoc during the 10-year cultural revolution.

Membership of the Young Pioneers, a primary school children's organisation guided by the Communist Party, was made compulsory last year, so about 500,000 little activists have been mobilised for the "let the spring wind drive away wrong characters" campaign.

They have been handing out pamphlets advising people on the correct form of characters and, with dictionary in hand, questioning shopkeepers about the strokes they use on price tags and shop signs. In the past week, the pedantic Red scarves around their necks, claim to have found 40,000 wrongly used characters.

The deputy director of the Young Pioneers Action Committee, Li Lin, 32, claims that the children are ensuring that Peking will remain the cultural centre of China. "In recent years we have improved the quality of sanitation and service in our retail establishments. Now we have to clean up the linguistic atmosphere."

According to the Chinese news agency, Xinhua, the city's vice-mayor, Jin Jian, has offered words of encouragement, calling the incorrect use of characters "cultural rubbish," which he hopes the children can help to sweep away.

Such campaigns are supposed to increase the children's sense of "social responsibility," but their parading through factories and offices telling workers how to write is more disruptive than anything.

A more useful drive to clean up the language has been undertaken by the recently formed State Commission of Language Planning, which aims to ensure that "all Chinese will speak the same tongue by the year 2000."

The written language, which originated about 3,000 years ago as a series of drawings, was simplified through pruning strokes by the Communist Government in the 1950s in an attempt to aid literacy.

A second attempt at simplification was made in 1978, when 800 characters were designated for pruning, but the move so angered older Chinese, who were unable to understand the new script, that the Government was forced to discard the idea.

Another problem, one the Young Pioneers are apparently trying to eradicate, is calligraphy created by advertising companies and shopowners who have become more adventurous in recent years in their attempts to attract customers.

Language purists have been shocked by such changes and by a "do-it-yourself spirit" among some Chinese who have tailored the language to suit themselves. Meanwhile, the Government appears to have dropped its stated goal of discarding the ideograms of characters in favour of a romanised script.

The aim, until recently, was to replace the script (a romanised form, Pinyin, already supplements the characters) within a decade or so, but the State Commission of Language Planning now says the characters will "continue to be the nation's authentic written language for a long time to come."

THE LEX COLUMN

Stamping-ground for bulls

The unusual after-taste of unvalourised champagne did nothing yesterday to spoil the market's enthusiastic response to the UK budget.

Among predictable consequences, the cut in bank base rates actually doubled the ritual half-point that the markets would have been willing to put up with, while the shares of banks and brewers behaved with the abandon that follows an unexpected acquittal.

The extinction of the tap, well above the level at which it had been supplied the previous day, and a boom in almost everything but life companies and electronics, gave a promising start to the new era of share-owning democracy.

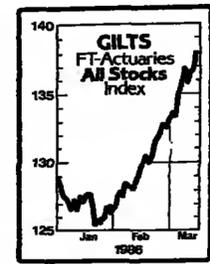
Less predictably the gilt-edged market is seething with thoughts of an early move to full sterling membership of the EMS. As a replacement for the lost discipline of domestic monetary targeting that would indeed make the gilt-economist's cup run over, and yesterday the strength of sterling under a base rate cut could be taken as evidence of shadow membership.

A pity then, that the Chancellor of the Exchequer's remarks on the subject were rather shorter of commitment than the market assumed. The result of extending the incidence of stamp duty to bulldozers, loan stocks and ADRs was turmoil in the markets - both in London and New York. The 5 per cent impost on converting UK equities into ADR form immediately throttled the practice of packaging Wall Street's pet London stocks. It is rare for there to be the 5 per cent arbitrage opportunity that would make it worth creating any further bundles.

That was bad for the likes of Jaguar and ICI and cast a cloud across the future of Wellcome shares, which had been marked out by hopeful US bankers as the next Glaxo.

The half-point stamp on domestic loan stocks bore sudden fruit in the Eurosterling market. Seeing UK gross funds as unwilling payers of duty in a secondary market, both ICI and B3 offered them stamp-free Eurobonds. For these investors, moreover, it appeared possible for the first time to issue long-dated paper without restrictive covenants.

In the build-up market confusion reigned as to the application of the new levy. Was it immediate, or after the Bang? Did it start at the full 1



are still scarcely better than loss-leaders. Throw in the gearing to cheaper borrowings and restructuring charges, and Philips would be doing poorly not to increase per share earnings (on its own accounting basis) by 30 per cent. The p/e ratio is scarcely into double figures. But the share price is held back by the base of European multinationals - a large US shareholding selling out of an appreciating currency.

Rank/Granada

Given the obduracy of the IBA, Rank's withdrawal of its offer for Granada was only to be expected. If Rank had tried to keep its offer alive through the remaining period of judicial review, it might still have ended up waiting upon the IBA's consent, while racking up underwriting fees of nearly £1m per week. That was obviously not something that Rank shareholders could be expected to tolerate, whatever they may think about the cash expended so far. And the Takeover Panel's decision to offer Rank a new 21-day window in which to bid, if it were to get the chance, gives Rank the chance to get away without complete loss of face.

Unless the IBA undergoes an unforeseen conversion to the cause of Rank, however, there seems little chance that Rank could make a successful bid without previously challenging the Granada articles of association. The suggestion in yesterday's formula, that Granada is still conditionally under offer, is unfortunate.

Philips

After two years of steadily declining profitability, Philips looks set to recover strongly this year. The question, as usual, is how strongly. The Philips executives despatched to the four corners of Europe to present their 1985 accounts were happy enough to talk about working-capital ratios but reticent on their prospects in the US chip market.

It does seem that the two divisions, integrated circuits and home electronics, that helped cut 1985 net income by 17 per cent (to Ft 919m) should revert to profit in the course of the year.

The cycle of overstocking and price reduction appears to be rolling through the US integrated-circuit market while the appreciating yen will lift some of the competitive pressures from Signetics - as well as from the US consumer electronics business, which lost over Ft 200m last year.

Semiconductors will not suddenly revert to earning Ft 1bn a year again - or not, at least, without collapsing the next year. But the consumer electronics business should be profitable even before the consolidation of Polygram, which is in the enviable position of raising both prices and production in a booming market for compact discs. Philips' sales of CD players will be just as spectacular this year, even if they

Morgan Stanley

Morgan Stanley's own share issue may turn out to be the best-timed deal it has ever done.

The strength of the New York market must have given Wall Street firms a spectacular first quarter and the indicated pricing by independent co-managers has risen to between 55¢ and 57¢ a share, more than 25 per cent above the initial range.

That still puts Morgan on a lower rating than its peers. The final price, due to be set tonight, will make the top partners paper millionaires. How generous of them to give priority in applications for the employees' portion in reverse order of seniority.

US growth only 0.7% in fourth quarter

By Reginald Dale, US Editor, in Washington

THE US economy grew at a sluggish annual rate of only 0.7 per cent in the fourth quarter of last year, much more slowly than originally estimated, the Commerce Department reported yesterday.

The revised figure was 2.5 percentage points below December's original "flash" estimate of 3.2 per cent, which at the time was seen as disappointing.

The poor performance in the final quarter brought growth for 1985 as a whole down to 2.2 per cent, the lowest since a 2.5 per cent decline in the recession year of 1982. The 0.7 per cent figure for the fourth quarter was the worst since a 0.6 per cent growth rate in the last three months of 1984.

Both government and private analysts said that the main reason for the downward revision was the deteriorating trade deficit, which increased by 19.7 per cent to a record-breaking \$39.5bn in the fourth quarter.

Many private economists are still hoping for a healthy upturn this year, spurred by lower oil prices and interest rates and the positive impact of the declining dollar on the trade balance. Some of them are now close to accepting the Administration's forecast of 4 per cent growth for the year as a whole.

The indicators, however, including yesterday's, are continuing to send mixed signals. The lower growth figures were accompanied by an encouraging inflation index, tied to the gross national product, which rose by only 3.6 per cent over 1985.

Other recent data has included gloomy unemployment and production figures, continuing bad news on the trade front, and lagging retail sales. The Administration, however, has already dismissed the economy's sluggish performance late last year as a temporary setback, and is looking for strong growth by the second quarter of this year.

Opec seeks non-members' help in effort to reduce oil output

BY RICHARD JOHNS IN GENEVA

THE ORGANISATION of Petroleum Exporting Countries (Opec) yesterday began talks with five non-member oil producers about their possible collaboration in a wider effort to cut global output as a means of boosting prices, which have collapsed by nearly half since December.

Chances of Opec gaining support from Mexico, Egypt, Oman, Malaysia and Angola in any substantive way seem slim because the first four, at least, have been producing far less than they expected at the turn of the year and have been committed to regaining market share.

That happens to be Opec's official policy, adopted in December but under increasing attack from members who have suffered from the collapse of prices and do not have the financial reserves of Saudi Arabia and Kuwait to cushion them.

The fact that Opec is still far from agreement on how much it should reduce its own output during the second quarter, let alone on the sacrifices individual members should undertake, could make the joint consultations something of a futile exercise in the short term.

In the longer term discussions with the five non-members could prove an important precedent. Meanwhile the prospects of a protracted meeting which might not improve confidence in Opec's waning ability to administer prices could be a damaging blow to producers worldwide.

Experienced delegates in Geneva yesterday were reconciled to a conference dragging on through the coming weekend, with a duration perhaps as long as the one in London in March 1983 which resulted in an agreement on quotas among the 13 under a ceiling of 17.5m barrels a day (b/d) which was subsequently reduced to 16m b/d in October 1984.

This ministerial conference was becalmed yesterday in a Saragasso Sea of uncertainty and indecision. The basic cause of paralysis in what seemed to be a surreal, if not nightmarish, situation remains the disproportionate share of collective

output conceded to the four states of the Gulf governed by hereditary regimes under the output-sharing pact of 1984.

Saudi Arabia, despite a statement issued from Riyadh on Tuesday showing concern about reaching an accord designed to increase prices, still seems ambivalent about reaching a deal, prompting speculation that it wants to "punish" - not a word ever used by the Kingdom - some producers before agreeing to cut its level of output.

Nevertheless, a sincere effort was being made by most delegates to work towards a compromise. Mr Javier Espinoza Tern, Ecuador's Minister of Energy, said: "There is a general consensus, among Opec and non-Opec (producers) that we have to reduce our production to a level necessary to restore prices."

His Government happens to be one deeply unhappy with the 1984 quota and determined to change it. More belligerently, the Iraqi chief delegate suggests that his country, which is engaged in a bitter war of attrition against Iran, a fellow-member, would not be restricted.

In practice the majority are said to believe that a cut of 2m b/d is necessary and are looking to willing non-Opec producers - having resigned themselves to the refusal of the UK and Norway to co-operate - to undertake 500,000 b/d or so of whatever is required.

Yesterday evening a committee made up of chief delegates from Venezuela, Indonesia, the United Arab Emirates, Nigeria and Libya was meeting with the five non-member producers.

Angola, with only a small output of about 220,000 b/d, which is produced by Chevron since its takeover of Gulf Oil, was a surprise participant. It made up for the absence of Brunei, which was expected to send a representative but did not.

Apart from Angola, which expressed its readiness to co-operate with Opec, freedom of manoeuvre of other non-Opec members represented seems very limited.

Mexico, with its debt problems, has seen its export sales drop in the first two months of 1986 to about 1.1m b/d compared with the maxi-

mum of 1.5m b/d set with the health of the oil market in mind.

Malaysia earlier this year saw its output fall to about 400,000 b/d and the Government had planned to increase it as soon as possible to 510,000 b/d.

Egypt says that its output is running at about 700,000 b/d, well below its ceiling, but it is reliably reported to have averaged 100,000 b/d below that recently compared with domestic consumption of 450,000 b/d.

Oman, a member of the Gulf Co-operation Council which groups conservative Arab oil states of the region, has been producing nearly 500,000 b/d. It has said it would be prepared to cut output if other producers did also but has been forced to slash budget appropriations and also ask the deferral of the delivery of Tornado aircraft from the UK.

Another important player in this scenario is the Soviet Union. Sheikh Ali Khalifa al Sabah, Kuwaiti Minister of Oil, returned from Moscow in February with fairly encouraging reports on the Kremlin's concern about price maintenance. He reported that Moscow was unlikely to increase exports in the next three years or so.

A change in Norway's petroleum tax rules is in preparation and will be announced this autumn "at the earliest" Finance Minister Rolf Preathus said, reports Fay Gjester in Oslo.

He said the aim would be to maintain total revenues at about the present level. Concessions to encourage the development of marginal fields would be balanced by boosting taxation on the most profitable ones.

Meanwhile a number of prominent Norwegian economists and politicians, including Mr Hermod Skånland, governor of the Bank of Norway, have been urging the Government to order oil output cuts to conserve reserves while prices are depressed.

Skånland, who advocates freezing oil output at the 1985 level, said ways could be found of compensating the oil companies affected for the cash flow decline.

Oil groups face new Brent losses

A NUMBER of leading oil companies are faced with unexpected losses of as much as \$100m, as a result of a further breakdown in the troubled forward market in Brent, the main North Sea crude, writes Dominic Lawson in London.

It is alleged that companies associated with Gatoil, the Swiss oil trading group, have not taken possession of about 10 March cargoes - equivalent to 6m barrels - of Brent crude, which they had contracted to buy at prices much higher than those now prevailing.

The contracts to take delivery of Brent for this month were entered into in previous months, when the oil price was much higher. Since January the price has halved from \$28 to \$14.

Oil groups such as BP, Shell, Es-

so, Conoco and Sun Oil had made commitments to buy the oil, and then sell it on to companies associated with Gatoil, in some cases at prices well above \$25.

But the companies associated with Gatoil did not take delivery of many of these cargoes this month, leaving the sellers to take the oil and absorb the losses. As most of the companies left holding the oil are major refiners, there has been no problem in disposing of the oil.

In February Gatoil caused a future when it refused to take possession of a number of North Sea cargoes on which it said the contracts were invalid. But in the present case it is believed that the companies in the chain selling to Gatoil have behaved correctly.

Mr Bob Reid, the chairman of

Shell UK, warned yesterday that the forward market in Brent needed to be seen, tougher contract terms before liquidity could return to the market.

A further dampener on the Brent market is the suit filed in New York by the oil trading company Transnor (Bermuda). Transnor has accused Exxon, Shell and Conoco of anti-trust violations through the alleged use of the Brent market to reduce their tax liabilities on North Sea production.

Mr Reid said yesterday that he took the Transnor allegations very seriously, but that Shell would probably claim that US anti-trust legislation could have no jurisdiction over Shell UK.

Shell results, Page 28

World Weather

Table with columns for location, temperature, and weather conditions. Includes locations like Moscow, London, New York, etc.

Headings at mid-day yesterday: C-Degrees, D-Degrees, F-Fahrenheit, F-Fahrenheit, H-Hall, H-Hall, H-Hall, H-Hall, S-Sun, S-Sun, S-Sun, S-Sun, T-Thunder, T-Thunder, T-Thunder, T-Thunder.

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# JOB

## The real rules of the management jungle

BY MICHAEL DIXON

"WHAT right do you have to talk about management? How many people d'you manage yourself, for instance?"

If the Jobs column had a five for every time those questions had been checked at it, its editors would be less neurotic. The questioners are usually dotful men with twitchy thumbs. They tend to look triumphant on hearing that I manage nobody, evidently believing it is necessary to be a manager to have a right to opinions about management. But they are surely wrong.

While I may not have managed anything—which is a blessing to all concerned—I have been managed for a full 35 years, sometimes remorselessly. That qualifies me to talk about management as a consumer, which is a valid perspective, even though it differs from the supply-side view.

It is also far less often written about. Very few of the millions of words published on the activity fail to offer a dignified description from a supplier's angle.

But today the balance of opinion has at last been somewhat redressed by a snappily produced book assembled by the Arthur Young International group. Called "The Manager's Handbook," it is published at £9.95 by Sphere of 20-32 Gray's Inn Road, London WC1X 8LL. It should be required reading for any aspiring managers who

suppose the jungle they are entering is neutral, let alone friendly. It makes clear that, from the start, they would be liable to get more mercy from a cageful of Bengal tigers, than Hurv's what it says, for example, about reading job advertisements and recruitment brochures:

"Such ads tend to glorify the company, the job and the person needed to fit the post. You need to find out much more about a company you are considering joining.

"Talk to friends, colleagues, people who have left the company and, if possible, those who are currently working there. You might pick up some company gossip from the local bar. Keep your eyes and ears open to the media and especially the pages of the financial press."

Besides warning its readers to turn a sceptical ear to anything said by an organisation that might want to employ them, the book provides terse outlines of the various skills required by management work. But it does not stop short at the usually mentioned activities, such as forecasting and planning, organising, commanding, co-ordinating and controlling.

It emphasises that, while proficiency in tasks like those may well come in handy during a managerial career, they are less important than skill at politicking.

"If you are unprepared to

graduate in this obscure science, forget the walnut paneling and the Rolls-Royce, they will never be your natural environment," it declares, before going on to give a wealth of specific tips. A few of them are:

Keep your own counsel; be wary of trusting others unless you are sure of your trust.

Develop a grapevine which provides access not only to "motes" who feed you reliable "mouths," but also to people in whom the possession of a secret creates an irresistible urge to communicate. They are useful when your views will be found more credible if received indirectly.

Keep close to the person whose job you may want—she/he often has a lot of say about a successor.

Never publicly depreciate your competitors for high office. Discover the values of each level of the organisation and match your achievements to them.

Develop friendships with media people, but do not become their pawn. (This media person for one, would be pleased to know you, mate.)

But there is also a warning that the most polished politicking may not be enough to get you to the top. The book says there is a question which truly canny candidates always ask themselves about any organisation. It is: Does an old boy net

operate at senior levels and, if so, does your profile match those of the ruling class?

While the authors take a realistically jaundiced view of most aspects of managerial work, however, they still strike me as straying into naivety in some particulars.

One of them is their apparent belief that a person who is in the right job will find it satisfying in every respect. Take for instance their list of questions to ask yourself to find out if you are suited to your work:

A—Do you begin to feel anxious in the evening at the prospect of work the next day?

B—Do you talk obsessively to your partner (spouse) about your work or about a member of staff? Or are you unnaturally reticent about them?

C—Do you find yourself working late regularly... because you feel you need to because you feel you have been given, or taken on, too much work?

D—Are you offhand or short-tempered with your subordinates or peer colleagues?

E—Are you enjoying your job and clear about where it is taking you?

F—Do you feel your boss is incompetent and that you could do his/her job just as well?

G—Do you have pangs of envy when you hear your friends talk about their jobs, and what do you envy? Their freedom?

Responsibility? Opportunity to travel? Salary?

H—Are you sick of being delegated to and not delegating?

I—Do you feel run-down or stressed?

J—Have you had to give up hobbies or interests because of work?

Readers may care to check their answers to those questions against mine, which are: A in the mornings and afterwards as well. B both. C yes. D incessantly. E no. F no comment. G all of them and several more besides. H, I and J you bet!

Even so, my job profoundly satisfies me. That's what's so infuriating about it. And I dare say the same goes for most other people who share my luck.

### Gear for men

ANOTHER proven business developer, this time preferably from retailing, is wanted by recruiter Ann Willitts of the newly-formed Victoria Graham consultancy for a venture capital company she may not name. She therefore promises to abide by any applicant's request not to be identified to her client at this stage.

The recruit will be managing director of a chain of high street stores selling a range of menswear, mainly for leisure, which is reputedly wowing fashion-besotted males in the US. Having achieved the same in Britain, the recruit will be expected to extend into Europe. London is the initial base.

Salary at least £40,000. Car among negotiable other benefits.

Inquiries to Miss Willitts at Suite 12, 25 Brook Street, London W1Y 1AG; telephone 01-493 4467, telex 296617.

### Software start-up

HEADHUNTER Geoffrey King of Cambridge Recruitment Consultants seeks a sales and marketing director for the Huntingdon-based Mission group. The prime task will be to launch and develop a new subsidiary called Mission Software and make it as successful as the group's international businesses in the hi-tech field.

Mr King says the initial products will include "a fully integrated accounting/manufacturing package, and an advanced report generator." That unfortunately leaves me unsure whether the latter product is an

## BADENOCH & CLARK

### INSTITUTIONAL SALES

c.£40,000 + Bonus  
Our client, a leading firm of Institutional Stockbrokers partnered by a major International Banking group, has a requirement for high calibre sales executives.

Of particular interest would be either generalist UK equity salespersons or those with a facility in a European language wishing to specialise in Continental stocks.

This firm can offer unrivalled scope for career progression, and the remuneration package should prove highly attractive.

### FUND MANAGEMENT

c.£30,000 Package  
An independent portfolio management group, with an excellent track record, seeks to recruit two young Fund Managers with four years experience in either UK pension funds or US equities.

This represents an ideal opportunity to join a talented team, in a premier organisation, with corresponding rewards.

For a confidential discussion, please contact **Stuart Clifford or Christopher Lawless.**  
Financial Recruitment Specialists  
16-18 New Bridge St, London EC4V 6AU  
Telephone 01-583 0073

## BADENOCH & CLARK

### PARTNER - CONVEYANCING

To £35,000

Our client, a small established practice in Mayfair with a 'blue chip' client base, requires a high calibre candidate to join as a Partner. You must—

- ★ Have qualified with a large City firm and gained specialist conveyancing experience since admission.
- ★ Demonstrate the ability to develop the existing clients as well as introduce new business.
- ★ Accept the challenge of working in a tough environment.

The work will be fifty per cent commercial, twenty five per cent support to the company department and the balance residential.

You will be aged between 28-32 and can expect a maximum of two years to full equity.

Only candidates who match this profile should apply to **John Cullen.**  
Legal and Financial Recruitment Specialists  
16-18 New Bridge St, London EC4V 6AU  
Telephone: 01-583 0073

## Major International Grouping Head of Research

The Investment Management subsidiary of a long established and highly respected international holding company currently seeks to complement their team with the appointment of a Head of Research. This is a new and important post.

The areas of expertise sought by our Client are in-depth knowledge of the Authorised Unit Trusts/Offshore mutual funds and their relative performances, plus the ability to appraise other investment managers. The successful candidate will be expected to take a major role within our Client's Investment Committee and to contribute research data and articles for internal and external distribution.

The position calls for a man/woman, probably educated to degree standard, who will not only welcome the chance to build their own research team, but also make

a personal and direct contribution to the development of our client's business.

The age range is probably 28/40 but no formal limits have been set. Considerable further prospects for advancement surround this vacancy and the salary and benefits to be negotiated will reflect the importance of this position to our Client.

Please reply in confidence to Colin Barry, Senior Partner, quoting Ref. 722, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone: 01-248 0355.

**Overton Shirley & Barry**  
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

# CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH  
Tel: 01-588 3588 or 01-588 3576  
Telex No. 887374 Fax No. 01-638 9216

## UK EQUITY SALES - NEW YORK

WALL STREET AREA FULLY COMPETITIVE NEW YORK \$ PACKAGE  
MAJOR MULTINATIONAL BROKERAGE FIRM

We invite applications from experienced equity sales professionals who are likely to have specialised in UK equities, and who are prepared to dedicate their careers to achieving results in the US broking environment. The selected candidate, who will be a key member of a small and successful team, will have the brief to develop International Equity business (an emphasis on UK equities) with institutions throughout the US. This will necessitate US travel. Essential qualities are a shirt-sleeve approach to hard work and a positive enthusiasm. The highly attractive \$ remuneration package will be based on results and will be specially geared to attract the best talent worldwide and will give 'no upper limit' earnings. Applications in strict confidence under reference UES17632/E will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

## Real Estate Finance

We wish to recruit one new person to join the specialist Real Estate & Construction team in our growing UK corporate group. The ideal candidate is a graduate and is either a banker or chartered surveyor with at least three years relevant experience in Real Estate development finance and capable of making an immediate business contribution. Good communication and analytical skills are essential. Remuneration package will

be attractive for the right candidate. Please send C.V. to: J. Hardisty, Manager, Human Resources, Canadian Imperial Bank of Commerce, 55 Bishopsgate, London EC2N 3NN. Telephone: 01-628 9858.



## Pension Fund Investment Management

Portfolio Managers



The Investment Division of Shell International Petroleum Company Limited is responsible for the management of the Pension Fund portfolios of several companies within the Royal Dutch Shell Group. The combined assets of these funds make up one of the largest pension fund portfolios in the U.K., being valued at over £3,500m.

We are looking for up to 4 persons to join this investment team to cover a variety of responsibilities. There is some flexibility in the way these responsibilities might be arranged, but in each case the duties would include the management of one or more U.K. or International Equity portfolios. The senior of the posts would involve participation in Asset Allocation decisions, and there is also a requirement for work on Quantitative Analysis techniques.

Applicants, in the age range 25-40,

should preferably be graduates or professionally qualified, and must have at least 3 years' experience in handling institutional portfolios. Ideally, this experience should cover the U.K., U.S. or Japanese equity markets, but candidates with experience in other markets would be considered. Familiarity with Quantitative Analysis techniques would be a distinct advantage for one of the posts.

The salary will be competitive and in addition there is a wide range of Company benefits. Working conditions in Shell are excellent, as are the sports and social facilities that are available. Please write with a full resumé of your career or telephone for an application form quoting reference PNE1.11/86 to:

Shell International Petroleum Company Limited, Recruitment Division PNE1/231, Shell Centre, London SE1 7NA. Telephone: 01-934 6966 or 01-934 4115.

## Manager - Marine Hull & Aviation

United Arab Emirates

A well-established and respected non-life insurance company, based in an attractive part of The Gulf, is looking for a new Manager for the Hull & Aviation Department who will report to the General Manager. The Department writes, profitably, £40m in premium income in respect of a wide range of vessels and aircraft. Key tasks include profitable underwriting, treaty negotiation, reinsurance broker liaison, business development in the Middle East and Europe, and the leadership of a staff of 8.

Candidates should preferably be aged 30-40, with a good technical knowledge of Hull business as a broker or underwriter in the London market, and a successful record of developing business and staff. Salary and bonus will be about £25,000 tax-free. Other benefits include free fully-furnished family accommodation, passage-paid annual leave and car allowance. The position should provide an exciting career step for a person 'boxed in' in their present role. Apply, in confidence, enclosing cv to Humphrey Sturt, Ref: GM08/9762/FT.



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## When you need a new Chancellor for your Exchequer.

Price Waterhouse



**MORGAN STANLEY INTERNATIONAL**

Morgan Stanley International is expanding its European equity research service and wishes to appoint two further specialists to be located in London.

The candidates sought will have:

- A minimum of 5 years analytical experience in one or more of the main continental European equity markets.
- A good command of at least 2 European languages including English.

As part of its strategic global diversification, Morgan Stanley is committed to the very highest quality of research and offers a stimulating environment and excellent remuneration to the right individuals.

Applications from the Continent of Europe are particularly invited.

Apply to: Joanna Williams, Morgan Stanley International, 1 Underhill, London EC3P 3HB.

**MORGAN STANLEY INTERNATIONAL**

Dans le cadre de l'expansion de son département de recherche sur les marchés d'actions européens, Morgan Stanley International recherche 2 spécialistes pour son bureau de Londres.

Les candidats devront disposer:

- d'un minimum de 5 ans d'expérience comme Analyste Financier sur un ou plusieurs marchés d'actions européens,
- d'une bonne maîtrise d'au moins 2 langues européennes dont l'anglais.

Afin de mener à bien sa stratégie de diversification mondiale, Morgan Stanley International a décidé de publier un travail de recherche de la plus haute qualité sur les entreprises internationales et propose un environnement stimulant et une rémunération excellente au candidat qualifié.

Les candidatures d'Europe continentale seront tout particulièrement appréciées.

Adressez à votre réponse à: Joanna Williams, Morgan Stanley International, 1 Underhill, London EC3P 3HB.

**MORGAN STANLEY INTERNATIONAL**

Morgan Stanley International breidt momenteel het beleggingsonderzoek in Europese aandelen verder uit en wenst daarom nog twee deskundigen aan te werven voor haar vestiging in Londen.

De kandidaten dienen te beschikken over:

- Minstens 5 jaar ervaring in de analyse van een of meerdere Europese aandelenmarkten.
- Een goede beheersing van tenminste 2 Europese talen, waaronder Engels.

Morgan Stanley beoogt, vooral in het kader van haar wereldwijde diversificatie, een hoogwaardig onderzoek te publiceren op het gebied van internationale beleggingsmogelijkheden en biedt daarom personeel op een stimulerende werkomgeving en een uitstekende beloning aan de juiste individuen.

Mit name sollicitaties vanuit het Europese vasteland worden op prijs gesteld.

Gaarne sollicitaties richten aan: Joanna Williams, Morgan Stanley International, 1 Underhill, London EC3P 3HB.

**MORGAN STANLEY INTERNATIONAL**

Als Teil unserer strategischen Diversifikation, hat sich Morgan Stanley zur Aufgabe gemacht qualifiziert hochqualifizierende internationale Aktienanalysten zu produzieren.

Aus diesem Grund erweitert Morgan Stanley sein europäisches Aktienanlyse- und researche zwei weitere Spezialisten anstellen die in London tätig sein sollen.

Es werden folgende Anforderungen gestellt:

- Mindestens 5 Jahre analytische Erfahrung in europäischen Aktienmärkten.
- Perfekte Kenntnisse in Englisch und Deutsch und einer weiteren Fremdsprache.

Besondere Arbeitsbedingungen und Verdienstmöglichkeiten.

Bewerbungen an: Joanna Williams, Morgan Stanley International, 1 Underhill, London EC3P 3HB.

# Is Our Future Your Future?

## SYSTEMS DEVELOPMENTS IN INTERNATIONAL BANKING

The ROYAL BANK OF CANADA is preparing for increased demands for automation for its branches and subsidiaries in the UK, Europe, Middle East and Africa. We shall be developing and implementing both IBM Mainframe and System 36 systems dependent upon the needs of each unit. Development projects involve the use of MVS, CICS and Cobol on the Mainframe and Cobol on System 36.

RBC Systems Limited is the wholly owned and expanding subsidiary responsible for these developments and our plans include the creation of an integrated banking system competitive with the best in the market to support the requirements of our banking units.

### PROJECT LEADER

We seek an experienced, energetic professional to lead the development team. Aged about 30 with in-depth IBM background, the successful candidate could have experience with a software house or bank. Some travel, mainly in Europe, is envisaged.

**REMUNERATION PACKAGE**  
CIRCA £24,000 PLUS COMPANY CAR

### ANALYST/PROGRAMMERS

We shall select high-calibre staff to join the team on the basis of their professionalism, experience and potential. IBM mainframe and/or System 36 experience is essential and previous involvement in banking systems highly desirable. A healthy appetite for hard work is essential.

**REMUNERATION PACKAGE**  
CIRCA £22,000

Opportunities for career development are excellent and terms and conditions of employment first class.

Please write in first instance, with full c.v., to:

M. L. Phillips, Manager - Administration  
RBC SYSTEMS LIMITED  
137 Stamford Street, London SE1 9NJ



## Leading Investment Group UK Fund Manager Small/Growth Companies

Our Client, a major City Investment House with a highly successful stable of UK and International Unit Trusts, has asked us to assist with the recruitment of a Fund Manager who will run the authorised Unit Trust specialising in British Smaller/Growth Companies, plus other segregated funds concentrating on this area of the market.

The Funds have an excellent and recognised performance record and our Client is anxious to appoint a man/woman who can show a similar record of success with the Funds under his/her control. The person appointed is likely to have a university background and to have grown into Fund Management via the analytical route with a Merchant Bank, Insurance Company, Stockbroker or independent pension fund. At least three years' investment experience is required and whilst no formal age limits have been set, our Client's outlook is simultaneously young and professional.

This outstanding opportunity to contribute to the overall performance of funds under management carries a generous and realistic banking-type remuneration package, negotiable according to age and experience.

Applicants should reply in the first instance to Keith Fisher, quoting Ref. 712, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone: 01-248 0355. All enquiries will be treated in total confidence and no names will be released to our Client until after a preliminary discussion.

**Overton Shirley & Barry**  
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

## BANKING APPOINTMENTS

### NEW YORK

Our client, a well established French bank, is currently opening a branch in New York and is looking to recruit professionals for the two following positions:

### Treasurer - Vice President Package: c\$85,000

An experienced marketing executive (30-35 years) with a proven track record in a financial institution is needed to establish and develop the treasury marketing operations. The role will involve dealing with major US and international companies discussing a broad range of treasury products, including foreign exchange, money markets, futures, options and swaps.

Candidates must have a thorough knowledge of the treasury field with experience of establishing and maintaining corporate relationships. An outgoing attitude and the ability to work in a pressurised environment are essential.

### Operations and Administration - Vice President Package: c\$75,000

Reporting to the Branch Manager, the position involves controlling and co-ordinating a broad range of settlement activities. The successful candidate (35-40 years) will have:

- ★ a comprehensive knowledge of all banking operations and administration, including EDP experience, and documentary credit
- ★ lucid and accurate reporting abilities
- ★ administrative skills in personnel and organisation

Candidates should be adaptable and flexible in approach and have at least 5 years' relevant experience.

Fluency in English is essential and a knowledge of French would be an advantage. Interested candidates should contact Charles-Henri Dumon or David Nicholson on 01-831 0431 or send a full curriculum vitae, mentioning the reference 11662 CHD, to Michael Page City, 39-41 Parker Street, London WC2B 5LH, United Kingdom.



**Michael Page City**  
International Recruitment Consultants - London Brussels New York Sydney  
A member of the Addison Page PLC group

## Group Managing Director

Surrey

c. £75,000 Neg.  
+ share options, etc

Our client, a UK diversified industrial/engineering group has grown rapidly and profitably to a turnover of approaching £100m. This growth has primarily resulted from a significant number of strategically related acquisitions. Further acquisitive growth is planned but considerable opportunities now exist within the group for organic growth to be generated.

Reporting to the Chairman, the position of Group Managing Director is a new appointment which will afford a senior executive with a proven record of achievement, the opportunity to play a major role in the continuing development of a major group of companies.

Applications will be welcomed from senior executives who can evidence a record of success in a dynamic growth oriented environment in a similar business sector to that of our client. Applicants should possess a blend of sound manufacturing based skills, entrepreneurial flair and the ability to think strategically.

The executive appointed will be expected to make a major contribution to the direction, growth and profitability of the business.

In view of the importance of this position and the high calibre of executive sought, it is most unlikely that a suitable remuneration package cannot be negotiated.

Please write in confidence, enclosing career details to Mr. Timothy A. Elster, Executive Selection Division, Peat, Marwick, Mitchell & Co., City Square House, 7 Wellington Street, Leeds LS1 4DW, quoting reference No. L/608.



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## INVESTMENT ANALYST

General Accident has a vacancy in the Investment Department for an Investment Analyst.

Ideally, candidates will have several years experience of analysis in stockbroking, banking or other financial institutions and be able to display a sound knowledge of the UK equity market. Consideration will also be given to candidates at an earlier stage of career development who are now ready to move into a more demanding position.

The starting salary will depend upon experience. In addition, an attractive benefits package is offered including pension and sickness schemes and house purchase facilities. The post is based at General Accident's World Headquarters in Perth, Scotland.

Write in the first instance, giving brief details of career, qualifications and present salary, to:

The Staff Manager (Head Office)  
General Accident, Pitheavlis, Perth PH2 0NH



## HUMBERSIDE TRAINING CONSORTIUM

### DIRECTOR SALARY £17,226-£19,128

The Humberside Training Consortium consists of the LEAs colleges, the University of Hull and a range of major private employers in the County. The members have identified the need to establish a Consortium for Training within the County to improve the provision of training. The Consortium is supported by a large scale grant from the Department of Education and Science and the Manpower Services Commission.

The Consortium is seeking to appoint a Director as soon as possible to manage the operation; applications are sought from energetic persons of a range of backgrounds which might include experience in industry, commerce or marketing as well as education. Initially the appointment will be for a period of two years. There will be opportunity to extend the contract and reconsider remuneration as the Consortium develops.

Further details and application forms can be obtained from the Director of Education, Staffing Section (HQ/ST/1), County Hall, Beverley, North Humberside, HU17 9BA (Telephone 0462 867131 Ext. 3338) to whom applications should be returned by 27 March 1986.

Sponsored by: Humberside County Council D.E.S., Pickap, M.S.C.

## VENTURE CAPITAL

### Assistant Investment Manager

We are a privately-owned venture capital management company handling substantial institutional and private funds.

We wish to recruit a woman or man in their mid-20s with a university degree and two years' experience of investment research either in the quoted or unquoted sector or in financial analysis.

The work will comprise researching prospective venture capital investments, collating and analysing data on existing investments, and preparing reports to investors. The successful candidate will be part of a small, lively team who are building up an exciting portfolio of growth companies.

Write with full CV to Box A0084  
Financial Times, 10 Cannon Street, London EC4P 4BY

## BOND SALES PERSON

- \* Do you believe in your own ability to sell?
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An environment that allows you to focus on relative value, instead of pushing over-priced new issues. An environment that encourages creativity and a value-added approach to sales.

In order to qualify you must be a proven producer with excellent existing account relationships, a self starter and willing to join a small highly professional group.

Your compensation will include a very competitive basic salary, plus what could be a very substantial bonus based on your contribution to the overall profitability of the team.

All replies, which will be treated in confidence, to be sent in first instance to:

WALTER JUDD LIMITED (Ref. L732)  
(Incorporated Practitioners in Advertising)  
1a Bow Lane, London EC4M 9EJ.

## HongkongBank Limited

### Manager SWAPS

HongkongBank Limited is the European merchant banking arm of the HongkongBank Group. As a result of expansion we require an extra executive at Manager level for our swaps team, initially involved in packaging Asset Swaps.

The individual concerned will have at least 6-12 months experience in Interest Rate Swaps and must be adaptable, possess drive and determination and have a sound understanding of the swaps market.

Salary will be negotiable, and normal merchant banking benefits will apply.

Applications with full C.V. which will be treated in strict confidence should be sent to C. E. Fiddian-Green, HongkongBank Limited, Wardley House, 7 Devonshire Square, London EC2M 4HN.

# Jonathan Wren Financial Controller

£60,000 + bonus + benefits

We have been approached by a major international bank to assist in the selection of an exceptional Financial Controller. A qualified accountant, aged 35-42 years, the individual sought will have gained at least 5 years senior management experience within an investment bank, securities house, or eurobonds environment, and consequently will possess a thorough understanding and knowledge of capital markets instruments. The successful appointee will assume full responsibility for the daily monitoring of the bank's risk exposures, taxation, budgets, forecasts, accounting systems and may also undertake some company secretarial functions. We therefore seek applications from suitably qualified, high profile candidates, who, as a result of their reputation and previous experience, are currently commanding a base salary of not less than £35,000 pa. Contact Brian Gooch or Peter Haynes.

## UK Lending Neg £22-£28,000

Our client, a prime North American bank with an expansionist approach to lending, is seeking an ambitious Marketing Officer to become fully involved in existing/new business to the 1000 companies. We would therefore be interested in receiving applications from those candidates with a strong educational background, MBA/degree level, with relevant experience. Contact Norma Given or Anne Fenwicke.

## Corporate Dealer c£25,000

Due to continuing expansion, a major international bank is recruiting a senior Corporate Dealer to expand its business activity in this area. Candidates will have had at least 3 years specific experience, and will probably have been involved in marketing services to corporate clients. Age is likely to be about 30 years. Contact Roger Steare or Bryan Sales.

## ACA - Newly qualified £16-£18,000 + benefits

A newly qualified ACA is currently sought by a major banking group to undertake a full financial accounting role - reporting directly to the Financial Controller. In view of the forthcoming changes within the City, this opportunity presents the perfect environment for a high calibre candidate to pursue a sound future banking career. Contact Norma Given or Anne Fenwicke.

All applications will be treated in strict confidence.

SYDNEY

# Jonathan Wren

Recruitment Consultants  
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

HONG KONG

### NEWHAM COLLEGE CAMBRIDGE

#### Appointment of Bursar

Applications are invited from men and women for the full-time post of Bursar, to take office on or before 1 October 1986.

The Bursar is responsible for the management of the College's property and income in accordance with the directions of the College Council. The person appointed will have experience of financial planning and administration and be expected to take an active interest in fund raising.

The College Statutes provide that if a woman is appointed she shall be elected a Fellow of the College.

Further particulars may be obtained from:  
The Principal, Newham College  
Cambridge CB3 9DT  
to whom applications with a CV and the names of three referees should be sent by 18 April 1986

### UNIVERSITY COLLEGE LONDON

#### Faculty of Law LECTURESHIPS IN LAW from October 1986

Salary range £8,000-£15,700 + £1,297 London Allowance. Applications, with a c.v. and names and addresses of two referees by 4th April 1986 to Departmental Secretary, Faculty of Law, University College London, Senate House, 4-6 Endelburgh Gardens, London WC1E 6EG, from whom further particulars may be obtained. Preference will be given to applicants in International Law/Commercial Law/Shipping Law/Insurance Law.

# North American Banking

Our fast-growing and profitable North American Banking Department seeks executives to work on and help develop our North American business.

The ideal candidate will be:-

- Mid to late twenties
- Academically well qualified
- Innovative
- Self reliant

Candidates should have a good grounding in credit and a knowledge of general banking services. In addition experience in specialised banking products, such as Asset Based Lending, Leveraged Buy Outs, Real Estate Finance, Bond Enhancement Programmes and Interest Rate Swaps would be of value.

Successful candidates will work in an environment which encourages flexibility and an individual approach. There will be opportunities for travel and the possibility of a posting to one of our four U.S. offices.

Candidates should apply with full Curriculum Vitae to:-

Hanover Partners Limited, Box A0079, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY.

# Kleinwort Benson

# Finance Controller

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A household name throughout the length and breadth of the country, Yellow Pages is Britain's most successful classified directory: an achievement which reflects both the quality of the product and, no less significantly, the operational expertise and business efficiency of this tightly-run enterprise.

We now need to appoint a Financial Controller for Yellow Pages and its related Companies - with direct responsibility to the Managing Director (Yellow Pages) for the development and implementation of financial policies and procedures, and the provision of financial and management accounting information essential to the running of the business. As a member of the Yellow Pages Management Committee,

the Financial Controller will have a major influence not only on issues of a financial nature, but also on strategic development and decision-making in general.

A fully qualified accountant - and preferably a graduate - you will have a rounded perspective of business and the personal stature to operate at the highest levels. A minimum of ten years in financial management, including several in a senior management role, is the depth of background we have in mind.

Starting salary will be up to £30,000 depending on age and experience.

Please write enclosing a full C.V. to: Mr. K. Smith, Yellow Pages Personnel, Yellow Pages Building, Queens Walk, Reading RG1 7PT.



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# International Banking Executive

A leading bank in Scotland invites applications for the post of International Banking Executive.

The successful applicant will have wide experience in the field of international banking, and will be currently employed in this sector. The position requires the individual to take charge of an International Department, develop the business, and motivate and train subordinate staff.

All applicants must be qualified Associates of the Institute of Bankers. The position will be demanding, and it is therefore assumed that anyone currently earning less than £20,000 will not have the necessary experience.

Please write with comprehensive curriculum vitae to: R. W. Hogden (Ref. 315), Lockyer Bradshaw & Wilson Limited, 39/41 Parker Street, London WC2B 3LH, indicating any companies to which your application should not be forwarded.

LBW

LOCKYER, BRADSHAW & WILSON LIMITED  
A member of the Addison Page PLC Group

# punjab national bank

Punjab National Bank - a public sector bank with Head Quarters in India, requires for its provincial branches in UK at Welwynhampstead, Birmingham and Gravesend

#### MIDDLE LEVEL OFFICERS/BRANCH MANAGERS

Persons in the age group of 25-50 years, and permanently resident in UK, holding degree from a recognised university or equivalent qualification from a recognised Institute in the UK, with five years experience as an Officer in a Bank, may apply giving details of their curriculum vitae and salary expected. Upper age limit is relaxable in the case of highly experienced persons. Knowledge of Hindi/Punjabi desirable.

All applications to be submitted by mail immediately, so as to reach maximum within a week, to:  
Zonal Manager, Punjab National Bank  
Moor House, 119 London Wall, London EC2Y 5BJ  
Applicants who had applied in response to our earlier advertisement need not apply

# Ambitious Stockbroker?

up to £50,000 + profit bonus

Our client is a U.K. financial services company with an active private client base. To implement their plan for continued growth they seek an experienced Stockbroker of high calibre to join as Chief Executive and establish a securities arm.

We invite approaches from entrepreneurial individuals with private client portfolio management backgrounds, plus administrative, marketing and management skills. This greenfields situation should appeal to those who now seek the opportunity to play a leading role and reap future rewards.

Please contact Fiona Stephens or Anthony Innes who will treat all enquiries in confidence.

## Stephens Associates

Investment Search & Selection Consultants  
44 Carter Lane, London EC4V 5BK. Tel: 01-236 7307  
Representative Associates New York & Tokyo

# JAMES CAPEL & CO.

## MONEY BROKING

As a result of continuing expansion we require

### 2 CLERKS

to join the young and enthusiastic team in our Secured Money Broking Department

Applicants, preferably aged 20-30, should have experience of Stock Exchange Settlement in the Gilt-Edged, U.K. Equity and Foreign markets.

Salaries will be competitive and include excellent bonus prospects.

If you think you may be interested please write in confidence, with details of experience, to:-

D. SCHULTEN  
James Capel & Co.,  
James Capel House,  
P.O. Box 551,  
6 Bevis Marks,  
London, EC3A 7JQ.

# New Issues Capital Markets

## North America

IBJ International Limited, is now seeking an experienced new issues specialist and mandate winner with a sound knowledge of North American markets.

The successful applicant will currently hold an active marketing role in a well established team, with a good knowledge of capital markets products.

This is a senior position and the salary and benefits package, which includes all normal banking benefits, will reflect this. Those interested in this position should write or telephone: Ian Matheson, IBJ International Limited, Bucklersbury House, 3 Queen Victoria Street, LONDON EC4N 8HR. Tel: 01-236 1090.

IBJ International Limited  
Bucklersbury House,  
3 Queen Victoria Street, London EC4N 8HR.

## MAJOR U.S. INVESTMENT HOUSE

Expanding its activities in capital markets is currently recruiting aggressive

### BROKERS OR DEALERS

in all financial instruments. Candidates would presently be working individually or within a unit having an institutional or private client base. Attractive salary plus performance-orientated bonus.

Please reply to Box A0088, Financial Times  
10 Cannon Street, London EC4P 4BY

# Group Treasurer

MAJOR PLC

Our client is a £1 billion + PLC, market leaders in a number of service industry market sectors. They now wish to recruit a Group Treasurer reporting to the Finance Director, who will liaise closely with other Main Board Directors and also manage a small support staff.

The main elements of the role are debt management, developing new approaches to project and property financing, handling banking relationships, and cash management and control. The Group's continued growth in the UK and internationally, provides the opportunity for expansion of both the scope and scale of the work, making this an outstanding long-term career opportunity. Candidates, male or female, probably

aged in their thirties, should be graduates with broad treasury experience, sound analytical ability and a creative problem solving approach. In addition to a significant salary there will be normal major Group benefits plus others specifically related to the Company's business. Location central London but regular North American and European travel can be anticipated. Removal expenses will be available if appropriate.

Please reply in complete confidence with full career and remuneration details quoting reference 1105, to David Thompson, Managing Director, Bull Thompson & Associates, 63 St. Martin's Lane, London, WC2N 4JX (01-240 3561), who is advising on this appointment.

Bull  
Thompson

CORPORATE AND RECRUITMENT CONSULTANTS



## CITY BANKING OPPORTUNITIES

BCC requires for its Central Credit Division:

### GRADUATE TRAINEE OFFICERS

Graduates who would like to pursue a career in banking. Selected candidates would be given training before being assigned to the credit function. Maximum age 24 years.

A competitive package of salary and benefits will be available.

Eligible candidates must have residential status in the U.K. and should apply in confidence, latest by 11th April 1986, enclosing a full C.V. with a passport size photograph to:

D. R. Oshidar,  
Central Credit Division,  
Bank of Credit and Commerce International S.A.,  
Licensed Deposit Taker,  
100 Leadenhall Street, London EC3A 3AD.

COMMERCIAL BANK - MIDDLE EAST

# General Manager

The Bank is a well established commercial bank in the Gulf with a profitable branch network. It is active in a broad range of commercial banking services for institutional and retail customers. It has an excellent reputation.

The General Manager will take total responsibility for the management of all the Bank's operations. The role demands:

- marketing and business development;
- wide ranging customer contact;
- introduction of new banking services;
- strong control and administration.

An energetic and experienced commercial banker is needed. Knowledge of the Middle East would be valuable. Ideal age group is 40-50.

There is an excellent long term opportunity for the successful candidate who will receive a generous compensation package including substantial fringe benefits.

Please reply in confidence to:

Box FT967, St. James's House, 47 Red Lion Court, Fleet Street, London EC4A 3EB.

THE UNIVERSITY OF MANCHESTER  
MANCHESTER BUSINESS SCHOOL  
NATIONAL WESTMINSTER BANK  
CHAIR IN BUSINESS FINANCE

The University invites applications for the National Westminster Bank Chair in Business Finance in the Faculty of Business Administration (Manchester Business School). The Chair has recently become vacant following the appointment of Professor G. H. Lawson to a fellowship at Churchill College, Cambridge. Applicants should have a good academic research record and also interest in corporate treasury management and financial markets. The School also has one other chair in business finance at present occupied by Professor G. H. Lawson, and is about to advertise the vacant chair in management accounting. The salary will be in the normal professional range with U.S.S. superannuation benefits. Detailed applications (suitable for photocopying) containing the names of five referees should reach the Registrar, The University, Manchester, M13 9PL (from whom further particulars may be obtained before 21st April 1986).

**FOREX APPOINTMENTS**  
For Forex, Capital Markets and Treasury appointments consult a specialist agency  
**TERENCE STEPHENSON**  
Prince Rupert House  
8-10 College Hill, London EC4R 1AS  
Tel: 01-588 0283

**Wanted**

**TRADER IN COMMODITY**  
27 Swiss, MBA degree, multi-lingual, having successfully set up UK subsidiary. This is a new challenge to open subsidiary in Geneva. Low taxation advantages (max. 10% would accept start in UK). Possibly to begin business through a joint venture company. Write PO Box 22,121 Geneva 11

## Capital Markets Administration

to £50,000 + Usual Banking Package and Bonus

Our client is the Capital Markets arm of a major US Banking Group. They intend to be one of the major influences in the Securities markets and they now seek 3 experienced business managers to head up the units dealing with the operations in the following fields:

### Head of Securities Operations

Responsible for the Eurobonds, futures, options, US Treasuries sections in the longer end of the markets, both primary and secondary. Must be familiar with all these instruments and be prepared to improve present systems and devise new methods to handle the evolving markets.

### Head of Asset Sales and Treasury Operation

Responsible for the short end of the market with CDs, Euronotes including RUFs, NIFs, ECFs etc, FRNs, FX and the Money Markets sections. Again, new systems will have to be introduced to handle growing volumes and complexities.

### Head of Swap Administration

This is the newest and most complex area that the Bank has entered. They have recruited some of the brightest and most innovative business managers and intend to become the market leaders in this field. They therefore require someone with the intellect to match the front office and bring their administration to the same level.

In all these positions the successful applicants will need to be able to build and motivate teams as well as communicate directly with the business managers. Reporting to the Executive Director responsible for the whole administration, the remuneration package will not be a problem.

If you feel you can match up to any of these positions, write enclosing a full curriculum vitae to Tom Kerrigan at Tom Kerrigan Associates, 20 Wormwood Street, Bishopsgate, London EC2M 1RQ, or telephone 01-588 4303.

**TOM KERRIGAN ASSOCIATES LTD**  
RECRUITMENT CONSULTANTS

## INSTITUTIONAL FUND SALES EXECUTIVE

Fidelity International, one of the fastest-growing investment management groups in the UK, is seeking an experienced sales executive to expand its institutional fund operations in the UK and on the Continent.

Fidelity's existing range of unit trusts and funds are already being used by an increasing number of investment institutions and we are now developing an innovative new range of products and services that will have wide appeal to pension funds, insurance companies, banks and other institutions. The position entails, therefore, selling both our existing product range and our new products throughout the UK and on the Continent.

A thorough knowledge of the investment industry is essential, together with wide experience of the institutional market place, proven selling ability and a dedicated commitment to a high level of client service and professionalism.

This is a senior position within Fidelity's expanding sales and market operations and the financial rewards, which will include a competitive salary, bonus, health insurance, car and non-contributory pension scheme, will fully reflect the seniority of the position.

If you have the right career background, are between 30 and 45 and have the ability to make a major contribution to Fidelity's next phase of growth within the institutional market, send a full c.v. to Gerry Baxter, Personnel Manager, Fidelity International Management Limited, 25 Lovat Lane, London EC3R 8LL.



**ASST. OPERATIONS MANAGER**

The well-established London Branch of a leading European Bank is seeking a competent person to manage its operations in the City. Candidates should have 3-5 years' experience in a similar position in a bank or financial institution. The salary and benefits package will fully reflect the experience and seniority of the post.

**CUSTOMER DEALER**

Prime International Bank with a long-established London presence is seeking a competent person to manage its operations in the City. Candidates should have 3-5 years' experience in a similar position in a bank or financial institution. The salary and benefits package will fully reflect the experience and seniority of the post.

**CHIEF ACCOUNTANT (ACA)**

Leading International Bank in the process of opening a London Branch is seeking a competent person to manage its operations in the City. Candidates should have 3-5 years' experience in a similar position in a bank or financial institution. The salary and benefits package will fully reflect the experience and seniority of the post.

**MARKETING OFFICER**

An experienced Marketing Officer is required by a leading international bank to develop UK and European business with target corporate and institutional clients. Candidates should have 3-5 years' experience in a similar position in a bank or financial institution. The salary and benefits package will fully reflect the experience and seniority of the post.

**ORIGINATOR - CAP. MKTS**

Leading Merchant Bank is actively seeking a person for the City to originate and manage a portfolio of high quality corporate and institutional debt securities. Candidates should have 3-5 years' experience in a similar position in a bank or financial institution. The salary and benefits package will fully reflect the experience and seniority of the post.

**CREDIT ANALYST**

Our client is a leading European Bank, currently establishing a London Branch and seeking a person to manage its operations in the City. Candidates should have 3-5 years' experience in a similar position in a bank or financial institution. The salary and benefits package will fully reflect the experience and seniority of the post.

- Our current assignments also include ...
- Accounts - Bonds ..... £ Neg.
  - Business Dev. Officer ..... to £20,000
  - Credit Analyst ..... to £14,000
  - Custodian Supv. .... to £20,000
  - ECU Trader ..... £ Neg.
  - Eurobond Settlements .... £B-25,000
  - FX Dealer ..... c£15,000
  - FX Settlements Supv ..... c£14,000
  - Marketing Assistant ..... £ Neg.
  - Operations Asst. .... c£16,000
  - Swaps Dealer ..... £ Neg.
  - UK Mkt Officer ..... c£20,000

## Skeels Associates

Bank Recruitment Consultants

2 London Wall Buildings  
London Wall London EC2M 5PP  
Tel: 01-588 2081

## Project Finance

Samuel Montagu - a member of the Midland Bank Group - is the focal point for many of the Group's activities in the arrangement of finance for major overseas markets and export transactions.

We have three Project Finance vacancies, each of which calls for experience in at least one of the following activities:-

- \* European Export Credits
- \* Capital Markets
- \* ECGD

As well as the provision of financial advisory services, responsibilities will embrace marketing, project analysis, and the preparation of finance packages. Our clients are major British and International corporates and foreign governments who are involved in overseas projects and major export programmes.

We would be interested to hear from high calibre applicants capable of working at Assistant Manager or Manager level in one of the above areas. Numeracy and excellent interpersonal and analytical skills are essential and fluency in either French, Italian, or Spanish is highly desirable. As capital markets instruments feature prominently in finance offers, previous capital markets involvement would also be a distinct advantage. Applicants must be prepared to travel overseas.

We offer a highly competitive remuneration package which will reflect experience and the level of appointment. Excellent benefits include mortgage subsidy, non-contributory pension scheme and family medical care.



SAMUEL MONTAGU

Please write with full personal and career details to: Mrs. Carolyn J. Bland, Manager, Personnel, Samuel Montagu & Co Limited, 114 Old Broad Street, London EC2P 2HY. Tel: 01-588 6464.

## Senior Portfolio Manager

### Gilts/Fixed Income

£30,000 to £50,000

Our client is one of the major US investment banks with a substantial and expanding base of international clients. It is seeking a senior portfolio manager to join its multicurrency fixed income team in London.

Aged 30-40 candidates should be well qualified with a sound track record in portfolio management, a thorough understanding of sterling fixed income and a knowledge of the dollar and other foreign currency bond markets.

- As a member of this well-established team the successful candidate will:-
- become the portfolio manager for a group of multicurrency accounts
  - determine and implement strategy on the sterling component of all portfolios
  - participate in new business presentations and in enhancing client relationships.

Please contact Fiona Stephens or Emma Weir who will treat all enquiries in confidence.

### Stephens Associates

Investment Search & Selection Consultants  
44 Carter Lane, London EC4V 5BX. Tel: 01-236 7307  
Representative Associates New York & Tokyo

## Divisional Manager

PERSONNEL & RECRUITMENT

£20,000 Basic salary • £10,000 Performance Bonus • Executive Car  
Normal large company benefits

**A fast climb towards top management**

Our client, based in Central London, is one of the most diversified and successful companies in the human resources and business services industry. Their interests are as wide-ranging as their multi-national, £multi-million organization. With over 30 outlets and a turnover in excess of £15 million in the UK, there is a clear and growing need for the highest calibre management.

The position on offer presents a fascinating opportunity to climb - very rapidly - from divisional management into the highest levels of corporate control. You will start by assuming total responsibility for one of our client's key profit centres. In this role, you will have the opportunity to demonstrate your proven skills whilst gaining a practical understanding of the company, its operations and its business objectives. Essentially, our client will be looking for three vital qualities: shrewd business acumen; an intuitive marketing flair and

highly developed powers of leadership. An intimate knowledge of the personnel and recruitment market would be an obvious but not essential advantage. In the final analysis, the most important qualities are a proven track record in developing a service-orientated business; an entrepreneurial self-motivation; an extrovert, infectious energetic style of management; a talent for setting and surpassing targets; plus a profound grasp of marketing principles. Understandably our client will be highly selective. You must have an established foundation of success on which to build. If you are convinced you possess these rare qualities please write - enclosing a full cv, giving your contact telephone number and stating any company that you do not wish to consider - to:

**PROTOCOL, Chesham House, 136 Regent Street, London W1R 5FA or phone Ian Purcell during office hours on 01-437 6900. (Quote ref. FT11).**

**PROTOCOL**  
Recruitment Consultants

## JAMES CAPEL & CO.

### EUROPEAN ANALYSTS

We require two European Analysts to augment the team in this young, expanding Department of our International Division.

The successful candidates will have had some Analytical experience in the financial sector, though not necessarily in the European markets. A knowledge of one or more relevant languages would be an advantage. Preferred age range 25-35. These positions offer an attractive remuneration package and excellent future prospects.

If you think you may be interested please write in confidence, with details of career to date, to Roger C. Hornett, European Department, James Capel & Co., at-

James Capel House,  
P.O. Box 551,  
6 Bevis Marks,  
London, EC3A 7JQ.

## MSA Mark Stevens Associates

### EXECUTIVE SELECTION/SEARCH

#### CAPITAL MARKETS

Our client, a new London securities trading subsidiary of a leading Japanese bank with a well-established London presence, seeks to recruit the following senior staff:

**ACCOUNTANT £25 - 30,000 p.a.**  
This key role calls for the services of a mature highly-motivated individual with proven managerial skills whose extensive accounting experience should ideally include several years within either a securities trading or merchant banking environment. Duties will range from standard branch bookkeeping procedures (including P&L and V.A.T. returns) to budgetary projections and statutory returns. A knowledge of computerised accounting systems (preferably Wang MIS) is essential.

#### HEAD OF SETTLEMENTS

- £17 - 20,000 p.a.

The ideal candidate will be an industrious individual with a comprehensive knowledge of current clearing procedures, and at least three years' experience of running a settlements team in a busy securities trading environment. Possession of the A.B.O. diploma is desirable, though not mandatory. These positions offer excellent career prospects to ambitious capable individuals and will be particularly attractive to those wishing to take greater responsibility than their present positions afford. In addition to competitive commencing salaries, our client offers an excellent range of benefits which will include free medical insurance, an annual bonus scheme, and mortgage assistance. For further details in complete confidence, please ring Mark Stevens on 01-236 3484, or send a copy of your C.V. marked for his attention.

32-36 Fleet Lane, London EC4M 4YA  
Telephone 01-236 3484

## Financial Administration Manager

West Midlands c£20,000 + car

is required by a leading industrial catering organisation with a turnover exceeding £150 million. Reporting to the Finance Director, this is a newly created position embracing the responsibilities of a number of key departments including Legal, Property, Insurance, Pensions, Payroll and Head Office Administration. Candidates should ideally be Chartered Secretaries, although qualified accountants with considerable exposure to Company Secretarial duties will be considered. In either case, preference will be given to applicants aged 28-40 with experience gained in a multi-unit large company environment. The varied nature of this position requires a professional manager with a high level of influencing and problem-solving skills, and the ability to adapt to the ever changing needs of this expanding company. The remuneration and terms and conditions for this position will be those expected of a large company. Relocation expenses will be paid where appropriate. If you wish to apply for this position please send your CV to E. P. Larder or telephone for an application form, quoting reference: 87/56.

**Simpson Crowden CONSULTANTS**

Specialists in Executive Search & Selection  
97-99 Park Street, London W1Y 3HA. Telephone 01-629 5909

# Banking and Finance Specialists

Apply your systems expertise in information technology consultancy  
UK-wide opportunities package to £40,000

**PA**

PA Computers and Telecommunications

PA Computers and Telecommunications is a highly successful specialist consultancy within the international PA consulting group. Our banking and finance specialists assist many of the world's major financial institutions to achieve a positive advantage in the marketplace through the application of advanced information technology related to their overall business and organisational objectives.

The rapid expansion of our business in this sector has increased opportunities for highly motivated professionals who have acquired in-depth experience in the use of information technology in banking, dealing or foreign exchange.

Those with a broad knowledge of both the finance sector and the IT industry would be ideally suited to a particular opening in our London-based Business Development Unit.

Probably aged 28-40, with a good degree and/or a professional or banking qualification, you must have the ability to establish your credibility quickly, and influence, all levels of a client's general and technical management.

We can offer a stimulating and rewarding challenge in London, the Midlands/North, and in Edinburgh, working with information technology specialists and a variety of clients; some overseas travel could be involved. Salary is geared to experience and progressive career development depends on personal performance.

Please send your cv, in confidence, quoting ref: 3/104, to Dick White, PA Computers and Telecommunications, Rochester House, 33 Greycoat Street, London SW1P 2QF.

# Assistant Director Merchant Banking

Make your mark on our future



FIRST NATIONAL BOSTON LIMITED

Combining the flexibility and service of a smaller company with the depth and resources of one of the largest US International Banks, First National Boston Limited (FNBL) provides merchant banking services for the First National Bank of Boston and its customers.

As one of FNBL's Assistant Directors, you will assume responsibility for a number of specialised areas including primary officer accounts, new business development, evaluation of proposed business, loan or investment documentation, syndication and staff development.

This is a highly visible role in a small effective unit which is poised for expansion. As a result, your solid experience as an Assistant Director in a merchant bank or AVP in a commercial bank must be backed by a flexible, forward thinking, highly professional approach.

If you are keen to enjoy a competitive salary and benefits package together with the opportunity to make your mark on our development and growth, please write with full cv to: John Watkinson, Assistant Vice President - Personnel, Bank of Boston, 5 Cheapside, London EC2P 2DE.

## CAREER BANKING OPPORTUNITY

Standard Chartered Merchant Bank wishes to appoint two first class executives with marketing experience to assist with the promotion and control of its growing business. Candidates should be qualified bankers with considerable experience of lending and complex financing transactions consummated at senior management and/or Board levels involving the credit assessment of a wide range of substantial commercial and industrial borrowers.

These are attractive opportunities with excellent prospects for individuals of ability having potential for further advancement. Applicants, who are likely to be under forty, should be people who are outgoing and professional in approach, with a sound technical background.

Remuneration structures, together with other benefits, are those normally associated with a first class bank and, against that background, are negotiable, commensurate with the qualities and experience of the successful candidates.

Written applications, with a full cv, should be sent in confidence to:

The Personnel Manager,  
Standard Chartered Merchant Bank Limited,  
33-36 Gracechurch Street, London EC3V 0AX.

**Standard Chartered**

Standard Chartered Merchant Bank Limited

## APPOINTMENTS ADVERTISING

Appears every THURSDAY

# Life & Pensions Executive (MD Designate)

City £25-30,000 + profit share

Our client is a well known and highly regarded Swedish Insurance Broker. As part of their planned expansion they will be opening their first office in the U.K. in the summer of 1986.

As you might expect they have a unique and established client base and will be continuing their activity at the top end of the market in the U.K. They already have clients in the U.K. and will continue their expansion further by specifically targeting at Swedish Expatriates and subsidiaries based here.

The requirement will be to provide financial planning advice to individuals particularly in relation to Capital Transfer Tax, Keyman and Partnership

Assurance and International pension planning.

Ideally you will be aged between 30-45 and will have gained relevant experience in a life office or a broker. Obviously, you must be particularly well versed in all aspects of life and pensions and be able to demonstrate a thorough understanding of the correct application of insurance based investment products available to the individual.

As you might expect, this appointment comes with considerable status and early Directorship prospects.

To apply please telephone or write in the strictest confidence to Julie Parkes quoting reference 9917.

**Lloyd Chapman Associates**

International Search and Selection  
160 New Bond Street London W1Y 0HR  
Telephone: 01-408 1670

**CALOR Gas**

Market Leaders in Liquefied Petroleum Gas

## Regional Controllers

\*Various UK locations, £17,000 plus, car, good benefits

Calor is a £300m company showing strong profit growth, and currently restructuring its U.K. management organisation by creating five fully integrated regions. Each region will control sales, distribution, transport and cylinder filling operations.

Supporting each Regional Chief Executive will be a Controller, responsible for the financial and administrative management of the region, forecasting and budgeting, and the appraisal of results and projects, all within a changing information technology environment. The aim is to gather all administration - previously split among several departments - under this appointment, so strong analytical skills, and organising and people management abilities, are required. Candidates, late 20's - early 30's, must hold an Accountancy or Business qualification. Experience of computerised administration and management information systems, and a strong desire to apply the new technology are essential.

Benefits are generous and include a non-contributory pension, and relocation assistance where necessary.

\*The Controllers will be based at the regional centres in Hampshire, Wiltshire, East London, West Yorkshire and Central Scotland.

Male or female candidates should submit a comprehensive C.V., or telephone for a personal history form to S.P. Spindler, Hoggett Bowers plc, 36 High Street, Eton, WINDSOR SL4 6BD, 0753-850851, quoting reference 24032.FT indicating the preferred location(s). Local interviews will be arranged.

# Hoggett Bowers

Executive Search and Selection Consultants  
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

## THIS IS A UNIQUE CHALLENGE TO A UNIQUE RETAILER / MANAGER

Our business is well established, profitable and expanding fast.

We have 17 branches in prime Central London locations, a turnover of £140m and 120 employees. We expect to double our business within three years.

We seek a unique personality who has a proven ability to succeed in the retail business. He or she will take charge of the Company and ensure its development, recruit and motivate staff, be a sound and numerate Manager and have the acumen to create and exploit new opportunities.

A financial package will be tailored to reflect the unique attributes of the successful candidate.

Write Box A0087, Financial Times  
10 Cannon Street, London EC4P 4BY

## EXECUTIVE JOB SEARCH

Are you earning over £20K and seeking a new job?

The Connaught Services have helped more executives to find new appointments than any other organisation - mainly in the unadvertised vacancy area.

Contact us for a free confidential meeting. If you are currently abroad, enquire about our EXPAT EXECUTIVE SERVICE.

32 Saville Row London, W1  
01-7343879 (24 hours)

**Connaught**

The Executive Job Search Professionals

## CAPITAL MARKETS EXECUTIVE

The London arm of a major U.S. Bank has several career opportunities within its rapidly expanding Capital Markets Division.

This area is responsible for using a full range of sophisticated financial techniques, offering the client seeking capital resources direct access to the international financial markets. If you have already shown yourself to be a high achiever in your current professional field but now wish to consider a change to international banking, or if you wish to develop further your existing banking experience, our client may provide the opportunity and rewards you seek.

Please call or send C.V. to Sara Bontsey  
All applications will be treated in strict confidence.

18, Eldon Street, Moorgate, London EC2M 7LA. Tel: 01-588 4224

**CAPITAL FUTURES**  
RECRUITMENT CONSULTANTS

## LONDON STOCKBROKERS PARTNER'S ASSISTANT

Partner with substantial private client business requires an assistant to work with him on a commission-sharing basis. The successful candidate is likely to be a Member or with Membership qualifications in his 30s with several years' experience in advising private clients and will have some existing clients of his own.

Write Box A0086, Financial Times  
10 Cannon Street, London EC4P 4BY

## INSURANCE BANKER

Irving Trust Company requires an Insurance Officer to join its recently-established Insurance Banking activity. The Officer will market investment and commercial banking services as well as participate in the development and design of new products tailored to the insurance sector.

The successful candidate will be highly motivated with a record of success in the international insurance, reinsurance or broking industries or in the insurance unit of an international bank. A generous remuneration package is available for the right person.



Irving Trust

Applications please to:  
Andrea Williams  
Irving Trust Company  
36/38 Cornhill  
London EC3V 3NT

## DEPOSIT DEALER

CITY

The London Branch of an International bank is seeking to recruit an experienced Deposit Dealer.

Reporting to the Senior Deposit Dealer, the successful candidate will be in his/her middle 20s with approximately 5 years' experience in a dealing room, at least 2 of which will have been spent trading foreign currency deposits.

Please enclose detailed CV showing present and anticipated remuneration together with your application to:

Box A0082, Financial Times  
10 Cannon St, London EC4P 4BY

Wanted

## BUSINESS DEVELOPMENT

Carry, include, responsible, systems-orientated business grad/management assistants with marketing experience seeks projects involving chance and installing orders in developing firms

Contact Box A0093, Financial Times  
10 Cannon St, London EC4P 4BY

An opening has arisen within our London office for a person who has a

PROVEN FINANCIAL BACKGROUND

and who is able to communicate with people at all levels and who is fluent in

JAPANESE AND ENGLISH.

Candidates need only apply if they are hard working, ambitious, self motivated individuals. Salary is negotiable.

Please reply to Box A0091, Financial Times  
10 Cannon Street, London EC4P 4BY

## INTERNATIONAL LAW FIRM

Established New York based international law firm with tax and commercial practice seeks BARRISTER/SOLICITOR

3-5 years' experience, for London representative office Salary commensurate with experience

Apply in confidence to Box A0088  
Financial Times, 10 Cannon Street, London EC4P 4BY

## Capital Markets Futures & Options

£20,000 ... £100,000 Plus

A number of our longstanding clients, major City "names" are actively seeking highly motivated and ambitious Desk Traders, Dealers, Sales/Marketers and Managers with sound experience and excellent contacts.

Proven knowledge of Options (Stock or FX)... Financial Futures... Stock Indices... Bonds (Straits and Futures)... Foreign Exchange... Gifts or Swaps is essential.

Whether you are actively looking or would simply like to be kept informed please contact Simon Kennedy or Clare Kearns in complete confidence.

**Kennedy Stephens**

Financial Markets Search and Selection  
44 Carter Lane, London EC4V 5BX. 01-236 7307

Representative Associates New York & Tokyo

## SENIOR CREDIT ANALYST c£15,000

Our client, a first rate US Bank, offers an outstanding opportunity, to a well educated, ambitious banker with several years analysis experience, aged 25-35, who has the potential for further advancement. Progression to a marketing role is envisaged within 18 months.

## CREDIT ANALYST c£12,000

A well respected European Bank, seeks an additional person, probably mid 20's, with a minimum of one year's experience, to join its professional team within the Credit Department.

In addition to the above, we are currently retained regarding a number of positions in credit marketing and invite interested parties to telephone for an informal discussion or send a CV to the address below.

**Gordon Brown**  
Bank Recruitment Consultants  
57-59 London Wall, London EC2M 4TP  
Telephone: 01-628 4501

# Accountancy Appointments

## Financial Director

Middlesex

package c.£25,000 + car

Our clients provide a comprehensive service of design and electronics packaging to customers in the data and telecommunications industry. Committed to further growth in a developing market, they expect a rapid expansion in business over the next two years.

With responsibility to the Managing Director, the prime tasks will include developing the production of stricter and more relevant accounting information based on enhanced use of computerised systems, tight stock control, the provision of positive financial guidance to senior management, staff control, and good general administration.

Candidates, preferably aged 28-38,

qualified accountants and with experience of manufacturing industry, must be ambitious, enthusiastic self-starters, able to motivate staff and ready to make a big personal contribution to the expansion of the company.

Please write in confidence, enclosing career details and quoting reference 3115/L, to Anne Rowledge, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

 **PEAT  
MARWICK**

ACCOUNTANCY APPOINTMENTS

Rate £41 per single column centimetre plus VAT

## Financial Executives

currently seeking

£20,000-£45,000

Cartwright Hopkins has been established to provide an executive recruitment service in a professional, personal and confidential manner. We are currently seeking to extend our contacts with qualified accountants and would therefore like to hear from qualified executives who have achieved a successful career to date and who wish to develop their careers further.

Please write enclosing a full curriculum vitae to: Philip Cartwright F.C.M.A. or Nigel Hopkins F.C.A.,

97 Jermyn Street, London SW1Y 6JE. Tel: 01-839 4572

 **Cartwright  
Hopkins**

FINANCIAL SELECTION AND SEARCH

## Senior Taxation Assistant

c.£15,000 + car

Burton-on-Trent

Bass Public Limited Company, Britain's largest and most successful brewer, is strengthening its taxation team at its headquarters by making this new appointment.

Candidates should be either qualified accountants or fully trained inspectors of Taxes and have had at least five years' relevant experience.

The successful applicant will report to the Deputy Taxation Manager and provide a taxation advisory service to senior executives throughout the Group. He/she will also be responsible for processing UK corporation tax computations.

An attractive remuneration package is offered, including company car, BUPA, excellent Pension and Life Assurance Schemes, Share Ownership and Share Option Schemes.

Please apply in writing with full cv to:

HQ Personnel Manager, Bass Public Limited Company, 137 High Street, Burton-on-Trent, Staffordshire DE14 1JZ.

 **Bass**  
Public Limited Company

## Group Taxation Manager

Nottingham

Up to £25,000

The Boots Company PLC is one of the top 30 UK companies. Our retailing activities are well known but a third of Group profits come from the manufacture and marketing of ethical pharmaceuticals and consumer products. There are operating subsidiaries in some 20 countries. The Group Taxation Manager will be responsible for all aspects of taxation throughout the Group, mainly in the UK but with some overseas involvement.

A high level of competence and innovative action will be necessary to develop the full potential of this post. Suitably qualified candidates will be

accountants or ex-Inland Revenue Inspectors with at least 5 years' experience of tax management, including overseas matters, in large companies or in professional practice.

The terms of appointment will be attractive and will include profit sharing, company car, contributory pension and help with relocation to the Nottingham area if necessary.

Please send full CV to J. L. Mancey, Personnel Manager, The Boots Company PLC, Head Office, Nottingham, NG2 3AA.



The Boots Company PLC

## Chief Financial Accountant

c.£20,000 p.a. + Car

W. London

Lyons Tetterly is a successful major manufacturing company in the Food Division of the Allied Lyons Group. A cornerstone of this success is our commitment to the best marketing, financial, production and administration practices available.

Our finance team is based at our 45 acre Head Office and manufacturing site at Greenford, Middlesex. As part of this team and reporting to the Financial Controller you will be responsible for all aspects of financial accounting, with particular emphasis on cash flow management.

Ideally you will possess strong interpersonal skills and be capable of exercising control within a large company environment. You should have at least seven years' post qualification experience, preferably gained in fast moving consumer goods. International experience would be an advantage.

Major company benefits include 5 weeks' holiday and relocation assistance if appropriate.

Please write with full details including salary, or telephone me for an application form. Mr D Lewis, Personnel Director, Lyons Tetterly Ltd, 327-347 Oldfield Lane North, Greenford, Middlesex UB6 0AY. Tel: 01-578 2345 ext. 611.

 **Lyons  
Tetterly**

## Finance Manager

Distribution

Middlesex

c.£24,000 + car

Retail distribution company (T/O £40m) serving a well-known UK group, seeks a new Head of Finance (Director Designate). He or she will have a brief to review, improve and develop the accounting and inventory control systems with EDP support. There is potential to have a considerable impact on the asset management and efficiency of the UK locations.

Candidates must be qualified accountants aged 28-35 with board potential. They must have retail or distribution experience OR something similar which they can convince us is relevant. Computer user experience is also vital. Fringe benefits and prospects are both above average. Relocation assistance too.

For full job description write in confidence to John Courtis at JC&P, Selection Consultants, 104 Marylebone Lane, London W1M 5FL, showing clearly how you meet our client's requirements, quoting 7188/FT. Both men and women may apply.

 **JC&P**

John Courtis and Partners

## SENIOR AUDITOR

Europe

up to £20k

CBS Inc. a multinational US Corporation, has an immediate opening for an experienced Senior Internal Auditor for its London based European Audit Operations.

You will conduct in-depth audits of CBS's European records, publishing, and other worldwide businesses to determine the adequacy of internal control and accounting systems. You should, therefore, be a Chartered Accountant, have either "Big 8" or extensive private industry audit experience, be willing to spend up to 50% of your time at our offices in Europe and the UK, and speak one or more European languages (preferably German and French).

Salary will be £15k minimum, up to £20k depending on age and experience and benefits will include private medical and life assurance schemes, first-class accommodation while travelling and the opportunity to return home most weekends.

As you would expect from an industry leader, future career prospects are exceptional.

Please write giving full career details to: Phyllis Morgan, Personnel Manager, CBS Records, 17/19 Soho Square, London W1V 6HE.

 **CBS**

## Financial Controller

c.£27,000 plus benefits

The Economic Insurance Co Ltd is developing its business and seeks an experienced executive to join its enthusiastic and dedicated team at Sittingbourne, Kent.

The Financial Controller will report to the chief executive, and will have full responsibility for all aspects of the financial and management accounting functions. The preparation of timely and accurate management information is a key requirement but, in addition, the Financial Controller as a member of the management team will be expected to contribute significantly to the development of the business.

Applicants must possess insurance company experience and should be qualified accountants aged under 40. Knowledge of data processing systems is required.

Benefits include a car, subsidised mortgage and private health care.

Please write in confidence to M J B Ping enclosing a detailed curriculum vitae and quoting reference F926P at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

 **Ernst & Whinney**

## Hoggett Bowers

Executive Search and Selection Consultants  
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

### Financial Director

General Management Emphasis

North West, c.£30,000, Car, Benefits

Managing a team of 70 people covering purchasing, production scheduling, quality, data processing and security functions in addition to all financial aspects, this new position carries truly general management responsibility. The company is an American-owned FMCG manufacturer supplying all the major multiples. With £50m turnover, their present success and determined plans for expansion through acquisition illustrate their strength. A qualified accountant aged 38-50, preferably with a business degree, you must be an ambitious leader with an enviable track record of business development in a similar environment. Rewards will match achievement. Salary will not be a limiting factor for a particularly suitable candidate.

D.A. Teale, Ref: 30040/FT. Male or female candidates should telephone in confidence for a Personal History Form, 061-832 3500, Hoggett Bowers plc, St. John's Court, 78 Gartside Street, MANCHESTER, M3 3EL.

## Young Financial Controller

Aged 25-33

To £20,000 + car

Our client, a highly successful and profitable subsidiary of a major plc, has embarked upon a period of sustained development.

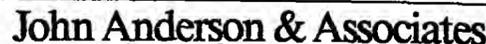
It therefore wishes to appoint a Financial Controller who, reporting to the M.D., will create a dynamic and highly commercial financial function to enhance the business opportunity for profitable growth with an emphasis on computing.

Candidates aged 25 to 33 must be graduates and qualified accountants with at least three years post-qualifying experience including a major professional firm end/or large scale manufacturing, and an affinity for the initiation of change.

They should be ambitious, goal orientated high flyers who would see this as an opportunity for outstanding career growth.

The rewards will include a salary to about £20,000, plus 2-litre car, and pension scheme. In addition to relocation expenses if appropriate to a rural West Midlands location.

Please write in confidence, initially with relevant details, and quoting reference 1606 to John Anderson, as Advisor to the company at:

 **John Anderson & Associates**

Executive Search & Selection

Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

## BANKING

### Manager, Financial Controls

c.£25,000 + Benefits EC1  
An international merchant bank seeks a graduate ACA (aged 28-32) with bank experience to assist with the development of new systems in anticipation of deregulation. A prestigious opportunity offering career progression.  
Ref: PSW 0015

### Corporate Finance

to £20,000 + Bank Benefits EC2  
An ideal commencing point for a graduate ACA to start a career in Merchant Banking, working in a high profile, internationally prominent organisation in Eurobond issues.  
Ref: RS 0018

### Treasury

£20,000 EC2  
Demanding role within US investment bank. Primary responsibility will be the protection and strengthening of its capital base. Applications invited from young accountants offering minimum two years funding experience.  
Ref: SM 0016

### Cost & Management Accountant

to £18,000 EC5  
An expanding design company seeks an experienced ACMA to enhance the current job costing methods, develop computerised systems and run the management accounting function.  
Ref: SW 0017

## Management Personnel

10 Finsbury Square, London EC2A 1AD  
Telephones: 01 256 5041 (out of hours 01 809 2783)

# Accountancy Appointments

## Finance director Nottingham, c£20,000 + car



As a result of the Transport Act 1985 Nottingham City Council is creating an independent company to provide extensive passenger transport and related services in the Nottingham area. It will be one of the largest such companies in the UK with a turnover of around £17 million.

This important, newly created position carries total responsibility for the financial and administrative management of the company. Early priorities will be the development of effective accounting and management information systems.

A qualified accountant, probably aged in your early 30's, you will need drive, commitment and determination to succeed in this highly demanding appointment. Experience in the transport sector or a similar service industry could be useful. Relocation assistance is available.

Resumes please, including a daytime telephone number, to David Owens, Executive Selection Division, Rel. D180.

**Coopers & Lybrand associates**

Coopers & Lybrand Associates Limited,  
management consultants  
22a The Ropewalk  
Nottingham NG1 5DT

## Financial Director (Designate) Property Development

Property Development

East Midlands

c.£25,000 + car & benefits

The company is fast growing and highly profitable, specialising in property and development, but with a construction subsidiary. It prides itself on its aggressive and forward-thinking management style, and is embarking on the next phase of its own development.

A determined and pragmatic Accountant is sought to make a major contribution to Board strategy and innovative commercial management. Key tasks will include "City" negotiations and further systems development, in addition to the normal functional duties.

Candidates, aged about 28-35, should be qualified Accountants, (preferably Chartered), with the ability to operate effectively at the strategic and the departmental level. Personal attributes will include

a strong intellect, positive personality and polished communication skills.

A fully expensed quality car and other benefits will be provided.

Please reply to Nick Hall, with details of age, career and salary progression, education and qualifications, quoting reference 1580/FT on both envelope and letter. Candidate details will be discussed in strict confidence with our client.

**Deloitte Haskins & Sells**

Management Consultancy Division

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

### £30,000 PACKAGE

*Further Details: The World's largest 25-40 group, require a Chief Accountant, aged 25-35. The ideal candidate must be ACA/ACCA, preferably with retail experience, and willing to work under pressure, answering directly to the Managing Director. Prospects are excellent as the company is experiencing rapid growth. Excellent package to include £18,000 basic, Porsche 944, BMW and profit share. CV's to: The Management Director, Fisher Sound Limited, 20-20 White Plains, London SE1 4QG*

## Financial Controller

30-40 International Construction £20k+car

Founded in 1918, FJC Lilley plc has steadily grown to become one of the most successful international construction companies in the UK with 6000 staff and £300m turnover. This success has been achieved by internal growth - turnover has increased by 300% in the last five years - and selective acquisition throughout the world.

With a strong future order book the company is poised for further growth and, to provide strong financial management in the International Division which contributes £50m to the Group, my client now wishes to recruit a senior financial manager.

Reporting to the Financial and Managing Directors of the Division you will be responsible for:

- divisional financial and management accounts

- overseas location accounting

- international treasury, taxation and cash flow  
- risk evaluation at tender and negotiation stages  
- negotiations with UK and foreign government agencies, banks and project partners involved in multi-million pound contracts.

A qualified accountant, your primary role will be to ensure that sophisticated reporting techniques provide accurate, timely and relevant information for the board. Obviously international construction, engineering or project finance experience would be particularly relevant to this senior management role.

Relocation costs to the Glasgow area will be available if required.

To apply, please send a detailed cv, including current salary, to Douglas Kinnaird C.A. quoting ref: AA96/9765/FT or telephone his secretary for an application form.

**PA**

**PA Personnel Services**

Executive Search - Selection - Psychometrics - Remuneration & Personnel Consultancy

Fitzpatrick House, 14/18 Colongan Street, Glasgow G2 6QP  
Telephone: 041-221 3954 Telex: 779148

### DATASTREAM

## Investment Accounting

In the competitive world of investment and finance we are an international market leader in the provision of on-line information and computation services. Over the past five years we have doubled our turnover and grown in staff terms by 60 per cent. We are now able to offer a challenging career opportunity in Investment Accounting Management.

Probably aged 30 plus you should have a proven track record in Investment Management with the ability to communicate succinctly and effectively with a wide variety of clients and staff. Equally important is a highly motivated approach and the energy to achieve in a high pressure environment. Salary £14,500-£16,500 plus an attractive benefits package including car, bonus, non-contributory pension and free private medical care.

Please send your full CV immediately to:  
Karen Speerman, Recruitment Officer

DATASTREAM INTERNATIONAL LTD  
Monmouth House, 54-64 City Road  
London EC1Y 2AL

Where possible please include a day telephone number

## FINANCIAL CONTROLLER

with General Manager Potential

CROYDON c. £18,000 + Car + Profit Sharing

The Croydon division of the Dove Group has franchises for Jaguar, Austin Rover and Bedford Trucks, plus a Leasing and Contract Hire Company. Turnover £24m.

This important position is for a Qualified Accountant to take responsibility for the financial and management accounts, to participate in the second phase of computerisation and take an advisory role in management leading to General Management within two years.

The successful candidate should be 27-40, enjoy responsibility, be a good communicator and have practical experience of accounts control in a medium size business, preferably in the retailing and service industry.

Apply in writing to John Lindholm FCA,



**DOVE GROUP**

98-104 Lower Addiscombe Road,  
Croydon, Surrey, CR9 6AE

## Corporate Tax Management

Top Career - Growth Opportunity

Midlands: £16,000 - £27,000 + Car

Our client is the Birmingham practice of a major international accountancy firm fast becoming the UK's leading provider of business services. The practice operates the largest tax department in the province and this key appointment will play a major part in managing/developing its corporate tax business.

Candidates must either be young fast-track professionals with real potential or aged around 30 to 35 with first class technical expertise in corporate tax and VAT and proven management ability; ACA/ATII essential. The preferred background is that of another leading firm, although applications from those with relevant Inland Revenue experience will be welcomed. Leadership ability, together with a determined approach to business growth and development, is essential.

Starting salary will be in the range quoted according to qualifications and experience; attractive benefits will include quality car and relocation help to the Midlands. Initial success will provide genuine opportunities for personal skill development and the prospect of promotion to Partner.

Please write - in confidence - with full career details, stating clearly how the specification is met. Andrew Russell ref. B.76482.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,  
12th Floor, Centre City Tower, 7 Hill Street, Birmingham B5 4UA.

Offices in Europe, the Americas, Australia, and Asia Pacific.

**HAY-MSL**

FINANCIAL SERVICES

## Senior Tax Adviser

International Group

c£25,000 + car London

Recent re-organisation at the central London headquarters of this leading British group, has led to the requirement for a person of considerable experience who will join a small team concerned with corporate tax accounting.

Reporting to the Group Tax Manager, the Senior Adviser will be primarily responsible for preparation, explanation and agreement of the group's tax liability with the Inland Revenue. In addition, he or she will actively assist the Group Tax Manager with advice to management on the tax implications of the group's international business operations.

The person appointed will be a qualified accountant, who has a detailed knowledge of UK corporate tax, together with a working knowledge of overseas tax, including international double taxation agreements. Whilst age is not critical, it is likely that the successful candidate will be aged 35-40. Salary will be for discussion around £25,000, plus car and a range of large-company benefits.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ian White ref. B2369.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,  
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Australia, and Asia Pacific.

**HAY-MSL**

CONFIDENTIAL ADVERTISING

## Financial Manager (Office Products)

Aylesbury c.£18,000 + car

REXEL LTD, part of the international Olex Group, is in an exciting stage of development and requires a senior manager to head a financial section of 20 staff. It is constantly looking to increase growth and profitability, and key tasks will be to strengthen controls, enhance the management information system and to work closely with the financial director in development of future strategies and plans.

Success in this position will relate preferably to a graduate Chartered Accountant (age 28 to 35) with experience at senior level in a fast moving successful business.

The Company climate is buoyant with Group opportunities being continually developed for further career growth. The highly competitive benefit package will include relocation costs if required.

Please apply in confidence to:



R.W. Daniel,  
Olex Group Holdings Plc,  
The Lodge, Harmondsworth Lane,  
Harmondsworth, West Drayton,  
Middlesex UB7 0LQ.  
Tel: 01-759 4822.

### CHARTERED ACCOUNTANTS

c£17,500-25,000+Car

Are you a recently qualified accountant or small business for a new career?

With a wide variety of excellent positions available in small to medium sized companies, and a diversity of other size categories we are clearly placed to fit your job requirements.

Our service is personal, professional and completely confidential. We may have just what you've been looking for so why not ring us today for an appointment or simply send us your CV. Ref: CA/348

### COMPANY ACCOUNTANT

c£18,000+Car

Our client - The UK Marketing Subsidiary of a US company - requires a qualified accountant or finalist.

The successful candidate, who will report to the Local Managing Director, will be responsible for the full computerised accounting function. Duties will include the preparation of monthly management accounts to strict deadlines and the supervision of 6 staff in the accounts and computer department. Located North London. Ref: YM/358

### ACCOUNTANCY ASSOCIATES LIMITED

temp./perm. recruitment consultants

5 VIGO STREET LONDON W1X 1AH TELEPHONE 01-439 2387 TELEX 27789

## ACA's in Europe

We are recruiting for the London office of a prestigious US multinational. Our consultants will be visiting the locations opposite in April to meet with interested applicants. Please telephone or write for further details.

Paris  
Brussels  
The Hague  
Milan  
Turin

### Robert Walters Associates

Recruitment Consultants  
66-68 Haymarket, London SW1Y 4RF. Telephone: 01-930 7850

## FINANCIAL CONTROLLER Lloyd's Underwriting Agency

circa £25,000 + Car

An expanding Lloyd's registered Managing Agency is looking for an FCA with Panel Audit and/or previous Agency experience. Good Board prospects.

For further information please contact: D. R. Whately whose private telephone No. is 01-623 9227. The reference to quote is No. 644.

WHATELY PETRE LIMITED,  
Executive Selection,  
4, Martin Lane, London, EC4R 0DL



### ACCOUNTANCY APPOINTMENTS

appear every THURSDAY Rate £41 per single column centimetre plus VAT

### TRAIN IN RECRUITMENT CONSULTANCY

PEMBROKE & PEMBROKE  
Newly/recently qualified Chartered Accountant with business acumen, to join international consultancy to specialise in accountancy or taxation posts in the United Kingdom and overseas. Early autonomy offered at a salary of £20,000 pa. 76 Cheapside, London EC2V 6EE 01-236 8011

## Young Qualified Graduate Accountants

Develop your career in a successful worldwide business

Are you looking for your first move out of the profession or for a new opportunity in industry that will give your career an international dimension?

BP Oil International Limited (BPOIL) is the international oil supply, refining and marketing company of the BP Group. We are looking for high calibre, ambitious young accountants for whom success will lead to a rewarding career in one of the world's leading businesses. We are a highly profitable company that is always looking to the future.

Based initially in London or Harlow, the posts will allow you to develop your analytical, financial and management reporting skills in a challenging and competitive environment. Following your initial appointment, there are good opportunities for career progression either in the UK or possibly overseas.

You must have a good degree and professional examination record. Fluency in a foreign language would be an advantage, but is not essential.

We are offering an excellent package that includes an attractive salary, London allowance, non-contributory pension scheme and relocation assistance, where appropriate.

Please telephone for further information. Alternatively, please write or telephone for an application form, quoting ref. B.314, to:

Susan Sclar, Recruitment Branch,  
The British Petroleum Company p.l.c.,  
Britannic House, Moor Lane, London EC2Y 9BU.  
Tel: 01-920 3484.

BP is an equal opportunity employer.

## BP Oil International Limited

## EMA Group Accountant - PLC-Leisure Industry

C. London £21,000 + Car

Managed by a young and dynamic team, this publicly quoted group has an enviable record of successful growth.

With a turnover around £100m, the group is involved in a range of leisure and allied activities although it is best known as a recording company having under contract a number of artists who have achieved international acclaim.

Due to internal promotion, they now seek a Group Accountant who will be based in their London Headquarters as a senior member of the finance department.

Working in a friendly, informal but totally professional environment, the appointee will report to the Finance Director. Supervising 9 staff, he/she will be responsible for the parent company accounts and the central accounting services.

Applications are invited from qualified accountants aged 25-35, having a proven record of success in their careers to date, who are technically sound and who ideally, have some commercial experience.

Please write enclosing a career/salary history and daytime telephone number to Richard Norman FCA quoting reference no. 1/2336.

EMA Management Personnel Ltd.  
Kingsway Chambers, 44-46 Kingsway, London WC2B 6EN  
01-242 7773 (24 hour).

# Accountancy Appointments

## South Hampshire

This is a £50 million precision engineering and electronics company with products and a development team which are successful in the international aviation business. Major developments lead to the strengthening of the finance function by the following appointments.

## Management Accountant

c £20,000 + Car

To take responsibility for the preparation of management accounts and production information. Major issues include managing and developing standard costing and variance reporting systems; all facets of stock control and management including projects to optimise the investment. There is a staff of 10. Applicants should be ACMA's with relevant engineering industry experience, sound management skills and a positive attitude to financial control. Age guideline - late 20's/early 30's.

## Financial Analyst

c £18,000 + Car

To manage a small team responsible for 5 year planning; budgeting; capital investment appraisal; tender evaluation and ad hoc business studies. Applicants should be qualified accountants with investment appraisal knowledge and several years experience of financial analysis or management accounting. Age guideline - late 20's/early 30's.

## Systems Accountant

c £14,000 p.a.

With responsibility for two areas: the implementation of new integrated financial ledgers and the report generators; and the implementation of financial modelling packages, particularly for 5 year plans and budgeting. An accounting qualification is required, some computer experience, and experience of either budgeting or management accounting or financial analysis. Age guideline - mid 20's.

All 3 positions should lead to promotions either internally or within the parent group.

Please reply in confidence quoting ref. L 224 to:  
Brian H Mason  
Mason & Nurse Associates  
1 Lancaster Place, Strand  
London WC2E 7EB  
Tel: 01-240 7805

**Mason  
& Nurse**  
Selection & Search

## Assistant Chief Accountant

London Up to £20,000 + banking benefits

Our client - the expanding and profitable UK arm of a major international banking group - wishes to appoint an Assistant Chief Accountant.

Reporting to the Chief Accountant you will play a key role in the finance function and be responsible with a small team for the production of management and statutory accounts to rigorous deadlines, as well as improving information systems.

To meet this challenge you will be a qualified accountant aged c.28-35 with relevant supervisory experience in banking or a related field. A knowledge of taxation and computerised systems is desirable.

Please write in confidence to Edward Ross-McNairn, Clark Whitehill Consultants Limited, 25 New Street Square, London EC4A 3LN.



**Clark Whitehill Consultants**  
Executive Selection

## Manager - Systems Accounting

CITY MERCHANT BANK

Salary c£28,000 + Car + Banking Benefits

Our client, the progressive Merchant Banking arm of a leading International Banking Group, is committed to a continuing programme of diversification and expansion which has led to the demand for increasingly sophisticated management information systems.

The Manager, Systems Accounting, will be a senior member of a newly formed team responsible for the successful implementation of a new Banking software package. The underlying brief is for the continued strengthening and development to provide flexible systems appropriate to the needs of a growing and innovative Bank.

Candidates must be qualified Accountants (27-35) with previous experience of Bank Accounting and Computer Systems (either gained within a financial institution or Management Consultancy). High professional standards, good interpersonal skills and problem solving ability will ensure accelerated career progression within this challenging environment.

For further information please write, enclosing career details, or telephone Susan Ross

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 59A LONDON EC2M 5TP. TELEPHONE 01-6982441

Firth Ross Martin

## INSURANCE to £27000 & Benefits

1 - Lloyds Managing Agents seeks a Syndicate Accountant with extensive practical experience. Could lead to directorship. Circa £27,000 plus extensive benefits. City.  
2 - Lloyds Broker seeks Treasurer to control and invest cashflow in various currencies. Money management experience more important than insurance experience. Salary open excess £20,000. City.  
3 - Lloyds Broker seeks Management Accountant - Budgets - Expense control - profitability and cashflow controls for each banking speciality. Salary open excess £20,000. City.  
4 - Lloyds broker seeks Chief Accountant to manage 80 people - client A/Cs - UW A/Cs - Credit Control - Salary A/Cs. In depth banking experience essential. Salary open excess £20,000. Crawley.  
5 - Lloyds Broker seeks Senior Credit Manager. Must be fully experienced in all aspects of the London and overseas markets including RI. Salary circa £23,500. City.

Send CV to:

G. Hamill, FCA, ACMA, MBA (Harvard), Financial Control Personnel Ltd  
St Giles Lodge, Chalfont St Giles, Bucks HP8 4RZ - Tel: 02987 4291  
Specialists in recruiting Financial People for the Insurance Industry

## ACCOUNTANCY PARTNER

Opportunity for young Accountant to join informal practice on South Coast, leading to partnership c.£13-15k.  
Executive specialises in senior accountancy positions in the South East. We want to hear from enthusiastic finance candidates seeking a career move.

Tel: Penny Giddens-Young on (0272) 21669 or write to: EXCULTE, 14 Dyke Road, Brighton East Sussex BN1 3FE

## Highlight on Accountancy

Accountants have a broader and more influential role than ever to play in the Civil Service. The Government Accountancy Service (GAS) operates a structured training and development programme to encourage this trend. These vacancies highlight the scope and responsibility of the work undertaken.

### INLAND REVENUE - FINANCE BRANCH

1 post at Tolworth, relocating to Croydon in Summer 1986  
The Chief Accountant will improve the financial management of industrial farming employing inmates of over 100 prisons. Having at least 3 years' post-qualifying experience in manufacturing and credit management you will manage a programme of computerisation, profit reviews, credit management and budgeting and financial management. Further details from Mr C J Walsh on 01-399 5191 ext 241.

### INLAND REVENUE - ENQUIRY BRANCH

1 post in London and 1 in Birmingham  
Working with HM Inspectors of Taxes you will advise them on accountancy law and practice and provide accountancy support for investigations into tax fraud in business returns and accounts and examine the work of the accountants involved. You will also have your own portfolio of cases. Further details from Mr K Shaw on 01-438 6688.

THE CIVIL SERVICE IS AN EQUAL OPPORTUNITY EMPLOYER

### INLAND REVENUE - FINANCE BRANCH

1 post Worthing and 1 post London or Worthing  
With experience of systems design and installation, preferably as project leader, you will control a development team at Worthing working on the design, planning and implementation of new systems such as accounts payable, inventories and general ledger.

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# SECTION II - COMPANIES AND MARKETS

## FINANCIAL TIMES

Thursday March 20 1986

**AE GROUP**  
EXTENDING THE FRONTIERS OF ENGINE COMPONENT TECHNOLOGY

### Philips expects to lift earnings again despite flat sales

**BY LAURA RAUN IN AMSTERDAM AND JASON CRISP IN LONDON**

PHILIPS, the Dutch electronics group, expects its profits to rise again this year after a 17 per cent drop to Fl 910m (\$359m) in 1985, when it suffered slumping sales and lower earnings of microchips and consumer electronics in the US. Turnover is expected to be flat in 1986, though, due to the dramatically lower dollar and termination of some loss-making and peripheral activities.

Mr Cor van der Klugt, vice president in charge of consumer electronics and president from next month, predicted that the division would approach the break-even point this year excluding Polygram, the music publishing subsidiary. Consumer electronics lost Fl 216m in the US in 1985, although the consolidation of Polygram produced a Fl 34m operating profit. That followed losses of Fl 611m in 1983 and 1984 combined.

The dramatic improvement in Polygram, which returned to the black with a Fl 250m operating profit, was almost entirely due to booming sales of compact discs. Buoyant demand for compact discs coupled with a supply shortage has recently sent prices higher.

The electronic components division saw its operating profit plunge to Fl 44m last year from Fl 121m, primarily because of losses estimated at several hundred million guilders at the Signetics microchip subsidiary. Mr Leo Heesels, vice president for electronic components, forecast that Signetics of the US

### William Hall looks at a US bank's ambitions in the financial information sector

## Citicorp offer boosts Quotron shares

SHARES IN Quotron Systems, the Los Angeles-based supplier of financial information services to brokers, banks and insurance companies around the world, jumped sharply in heavy trading yesterday after Citicorp's \$680m takeover bid. Mr Milton Mohr, the 70-year-old chairman and chief executive of Quotron, and several of his executives were holding urgent meetings in New York. They refused immediately to endorse the surprise bid from America's biggest banking group, which has made a secret of its wish to become a leading player in the worldwide information business.

In a brief statement, Mr Mohr said it would be premature to comment on any aspect of Citicorp's offer, including the adequacy of the amount offered, the likelihood of regulatory approval or a possible adverse impact on existing Quotron business relationships. Quotron's stock jumped 52% to \$19 1/4 in early trading.

Citicorp has long been rumoured to be interested in buying Quotron, which provides stock quotations and data-base services through some 80,000 terminals around the world. Among Quotron's biggest customers are Merrill Lynch, Sears Roebuck and American Express -



John Reed, Citicorp's chief executive

regarded as long-term competitors for Citicorp. Citicorp's move is likely to intensify competition in a rapidly changing marketplace.

Quotron controls roughly two thirds of the US market and would give Citicorp an important foothold in a market where companies as diverse as Reuters, AT&T, Sears Roebuck, Dow Jones, Teletext and IBM are jostling for competitive advantage.

Mr Walter Wriston, former chief executive of Citicorp and the man largely responsible for crafting the group's current strategy, has said on several occasions that "information about money is almost as important as money itself, because information is central to decision-making."

Citicorp argues that given the rapidly growing volume of information becoming available, the packaging of the information - determining what is relevant - and its distribution will be the key to success.

Mr Wriston forecast a couple of years ago that worldwide information industry revenues were likely to rise from \$15bn in 1983 to \$25bn by 1987 and said: "The information business could easily rival any of our banking businesses as a profit generator in the 1990s."

The \$19-a-share cash bid for Quotron is the most dramatic evidence so far of Citicorp's determination to become a big packager and distributor of financial data-base services worldwide. For more than a decade, Citicorp has been expanding its interests steadily and over the last year the pace has been accelerating.

Last year Citicorp started a joint venture with McGraw-Hill, the US publishing and information group, to provide the first integrated glo-

### Degussa to step up capital spending

**By John Davies in Frankfurt**

DEGUSSA, the West German precious metals and chemicals concern, is pressing ahead with an ambitious investment programme to provide the basis for further expansion.

The group expects to invest DM 450m (\$200m) in West Germany and abroad this financial year after DM 408m in the last financial year. This is well above the level of recent years, when it varied between DM 222m and DM 288m.

Executives said that Degussa was on a growth-oriented course in its three main fields of metals, chemicals and pharmaceuticals. The investment emphasis was increasingly towards extension of present plant and construction of new plant.

Degussa is also expanding through acquisitions. It announced last week that it was extending its carbon black business with an agreement to buy manufacturing interests from Phillips Petroleum of the US. It is not yet clear, however, whether Phillips' partners in some of these ventures may exercise an option of first right to buy the Phillips' stake in the ventures.

Degussa has also reached agreement to take over Metz Metallurgical of the US, a small company whose products include materials used in the electronics sector.

Mr Gert Becker, Degussa's chief executive, said the company was still on the lookout to accelerate expansion of its pharmaceutical business through a takeover.

Degussa increased its group sales revenue to DM 11.7bn in the financial year ended last September 30, compared with DM 11.1bn in 1983-84.

Group net profit edged up to DM 112m from DM 110m in 1983-84. The parent company is increasing its dividend for the third successive year to DM 8.50 per share, compared with DM 8.50 for 1983-84, DM 8 for 1982-83, and DM 8 for 1981-82.

Mr Becker said sales revenue in the first five months of this financial year was slightly down on a year ago, because of slower growth in chemicals and the lower dollar, which had affected metal prices.

### Baldwin-United plan approved

**BY OUR FINANCIAL STAFF**

BALDWIN-UNITED, the financial services group which filed for Chapter 11 bankruptcy protection in 1983, said yesterday that its reorganisation plan had been approved by a US bankruptcy court in Cincinnati.

The company said it would now go ahead with the plan, which was filed with the court last August. It calls for Baldwin to emerge from bankruptcy with operations in trading stamps, travel agencies, motivational courses and life insurance.

Earlier this week Kaufman & Broad, the Los Angeles-based financial services group, offered to take over Baldwin's 54th anniversary business, following a rival offer by Metropolitan Life.

The two offers result from a two-phase rescue plan designed to prevent Baldwin's policy holders losing interest and principal on single-premium deferred annuities which they bought through brokerage firms and other insurance companies.

### Spanish ITT unit returns to profit

**BY DAVID WHITE IN MADRID**

STANDARD ELECTRICA, a subsidiary of ITT and Spain's chief maker of telecommunications equipment, has reported a profit of Pta 138m (\$975,000) for 1985 after five years of losses.

However, the earnings figure of the company, which has undertaken restructuring and labour cuts, was below forecasts made in the middle of last year. In the previous year it cut its losses to Pta 650m from more than Pta 1bn. Cash flow improved 57 per cent last year to Pta 1,930m.

Sales were 12 per cent up at Pta 59.2bn, almost three quarters of which went to Compania Telefonica Nacional de Espana, the semi-state telecommunications authority, which holds a stake of more than 20

### Toys 'R' Us sales up 10% in quarter

**By Terry Byland in New York**

TOYS "R" US, the specialty US toy retailer, reported sales in the Christmas selling quarter rose by more than 10 per cent. The group also saw a similar gain in quarterly earnings over the year-ago figure to \$88.1m or \$1.02 a share.

Earnings for the full fiscal year to February 2 increased 7.5 per cent to a record \$19.8m on sales of \$2bn, also a new peak, against \$1.7bn the previous year. The share price eased on Wall Street after the announcement, losing 3% to \$39 1/4 in quiet trading.

Mr Charles Lazarus, chairman, said the company increased its share of the US toy retailing market from 14 per cent to 15.5 per cent last year, adding 35 new stores to bring the total to 233.

### Klöckner forecasts further recovery

**BY OUR FINANCIAL STAFF**

KLÖCKNER-WERKE, the West German steel and engineering group, has reported a strong recovery in trading performance for the year ended September 1985, and forecast further significant progress in the medium term.

The group moved out of the red at the operating level last year after markedly reduced losses on steel trading. It made profits of DM 33.8m (\$15m) in 1985 against a loss of DM 147.8m the previous year. Net profits moved up from DM 4.8m to DM 35m.

Mr Herbert Genow, the managing board chairman, said yesterday that Klöckner's steel division cut back its deficit from DM 201m to just DM 3m. The group's biggest steel works (at Bremen) turned a

### Asturienne lifts dividend payout 10%

**By Paul Choersight in Brussels**

COMPAGNIE Royal Asturienne des Mines turned its back on the past yesterday with a 10 per cent increase in dividend payments and an 11 per cent rise in its share price on the Brussels bourse to the top of the 1985-86 trading range at BFr 1,170.

Last September Asturienne disposed of its zinc interests to Vieille-Montagne and became an investment house specialising in the mineral sector - property in which it already had interests - and venture capital.

The company is part of the Union Miniere group, the mineral flagship wholly owned by Societe Generale de Belgique.

The net dividend for 1985 has been set at BFr 33 for ordinary shares and BFr 35.20 for shares with special tax advantages.

Net profits last year rose to BFr 1,170m (\$25m) by the sale of the zinc interests for BFr 1,080m. Payment for the sale is spread over five years although the whole amount has been entered in the books.

Asturienne's profits reduce to BFr 90m without the exceptional gain, compared with BFr 123.6m in 1984.

### Paris bourse changes rules to speed up takeover procedures

**BY DAVID MARSH IN PARIS**

THE COMMISSION des Operations de Bourse (COB), France's stock exchange regulatory body, has announced new rules to speed up procedures for the growing number of takeover bids involving French companies.

The new regulations, announced last night by Mr Yves le Portz, the COB chairman, come at a time when the Paris bourse is in the throes of digesting three takeover battles centred on the Providence insurance company, the Radar retailing chain and the Valeo vehicle components company.

The sudden rush of bids has come after a gap of four years since the last hostile takeover in France, involving the Jacques Borel catering chain.

The rules set down a five-day limit for the COB to approve takeover prospectuses issued by companies making bids. The same time limit is set for the French stockbrokers association to decide on the technical acceptability of a takeover bid.

The speeding up of procedure complements a decision by the Finance Ministry earlier this month to drop the requirement that all takeover bids be submitted to it for approval.

Previously there was no time limit for the COB and the stockbrokers association to check on takeover bid procedures. This was both cause and effect of the sluggish level of takeover activity in France.

Roughly 10 "arranged" takeovers take place a year as a prelude to mergers or joint ventures. But the absence of hostile takeovers has often been cited as contributing to the rigidity of France's industrial structure.

The spate of innovation and deregulation on the Paris bourse, and the transfer to mainland Europe of aggressive techniques pioneered in London and New York, are among factors likely to accelerate takeover activity in France in coming years.

Further, dematerialisation of leading state-owned banks, insurance companies and industrial groups, expected to be put in place progressively by the new government, is likely to open the way for more takeovers.

### Texaco and Nippon Oil launch joint US exploration venture

**BY TERRY DODSWORTH IN NEW YORK**

TEXACO, the US oil major struggling to nullify a \$1.1m damages award to Pennzoil, has signed a deal with Nippon Oil of Japan to help a new exploration drive on its energy properties in the US.

The agreement, clinched in Houston yesterday, was hailed by Texaco as a sign of confidence in the company's ability to ride out the storm over the damages award, which arose when the company was sued by Pennzoil after winning a takeover contest for Getty Oil.

Nippon, the largest Japanese oil group, will pay about \$100m towards drilling and other costs associated with exploring and developing 100,000 acres of oil and natural gas prospects in Texas, California, Colorado, New Mexico, North Dakota and Utah.

The Japanese Government will provide financing to Nippon Oil through the Japan National Oil Corporation (JNOC).

Texaco and Nippon have worked together on international programmes in the past, but the new project will be the first time the

### International Thomson advances

**BY BERNARD SIMON IN TORONTO**

INTERNATIONAL Thomson Organisation, the publishing, travel and energy group controlled by the Thomson family of Toronto, lifted net income to \$111m (\$162m) or 37.9p a share last year from \$99m or 33.7p a share in 1984.

Sales rose by 1.6 per cent to \$1,760m, and operating profit by 3.2 per cent to \$191m.

Timing of oil shipments and the impact of the weakening US dollar on oil revenues dented results in the fourth quarter, when operating profits declined from \$50m to \$43m.

Trading profits from travel rose from \$27m to \$33m, but these do not fully reflect the stiff competition and slim margins in the British tour market since the second half of last year. The company official said "the margins will be slimmer, but the volumes have exceeded our expectations so far."

The effect of the price war will only be apparent later this year when holidays are fully paid for. On the other hand, Thomson began to benefit late last year from interest income on the unusually high number of deposits on 1986 holidays.

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<i>Banque Nationale de Paris</i>	<i>Chemical Bank International Limited</i>
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Application has been made for the Bonds, in bearer form in the denomination of US\$5,000 each, constituting the above issue to be admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global Bond. Interest will be payable annually in arrears on 26th March in each year. The first interest payment will be due on 26th March, 1987.

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<i>James Capel &amp; Co., Winchester House, 100 Old Broad Street, London EC2N 1BQ.</i>	<i>The Industrial Bank of Japan, Limited, Bucklersbury House, Walbrook, London EC4N 8BR.</i>
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20th March, 1986

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March 1986

**INTL. COMPANIES & FINANCE**

**Pemex lifts cash surplus but oil export revenue falls 11%**

BY DAVID GARDNER IN MEXICO CITY

MEXICO'S oil export revenue fell 11.3 per cent in 1985, ahead of this year's international oil market collapse, and for the second year running the country's proven oil reserves were down.

These are the highlights of the annual report of Petroleos Mexicanos (Pemex), the Mexican state oil monopoly, which nevertheless managed to lift its cash surplus 50 per cent in peso terms, and maintain it at around 1984 levels in dollars.

The surplus - not the same as corporate profits because more than 90 per cent goes to the Mexican Treasury which derived half of all taxes from Pemex last year - rose to Pesos 4,013bn against Pesos 2,699bn in 1984. At the "controlled" rate for the peso against the dollar, used for 80 per cent of Mexico's trade, the surplus is equivalent to \$15.6bn marginally down on 1984.

Earnings from crude and downstream products for export brought in \$14.6bn last year against \$16.5bn in 1984. This was equivalent to 67 per cent of Mexico's total export revenue.

Announcing the figures, Mr Mario Ramon Beteta, director general of Pemex, said proven reserves fell to 70.9bn barrels (of which 49.8bn were crude oil) from 71.75bn barrels last year.

Though the difference is small, the fall follows the first-ever downward adjustment of officially placed reserves (from 72.5bn barrels in 1983), and publicly acknowledges the strain on Pemex's accounts and performance of having to provide more than half the nation's resources.

Spending on new exploration and maintenance has suffered since Mexico's financial crisis in 1982. This year, when Pemex is expected to produce about half the country's export revenue as a result of the oil glut, current spending would be cut back, Mr Beteta said. Exploration would be concentrated in and around the country's richest proven fields in the south east, both onshore and in the Campeche Sound.

These are also the areas where production costs appear to be lowest. Though Pemex does not publish

its costs, it can be calculated from the figures that the average cost last year of a barrel of Mexican oil was \$6.92, exclusive of new development spending.

From this week Pemex will also renew payments to its suppliers, suspended at the beginning of last month when the oil price fell began to bite. This suspension had a traumatic effect on Mexico's industry, since Pemex, by far the country's largest company, last year bought in goods and services worth Pesos 450bn at home, as well as \$350m abroad.

The company's financial position was alleviated last week when the \$3bn in bankers' acceptances it holds with US and UK banks, and which it uses to finance its diminishing trade, were extended from 90 to 180 days.

Pemex's overall foreign debt, which peaked at \$19.8bn at the end of 1982 - has been further reduced, according to the report, to \$15.7bn. Total debt service payments last year were \$2.75bn, \$1.64bn of which was interest. About two thirds of the company's foreign borrowing was restructured last year under the multi-year rescheduling of half Mexico's total foreign debt of \$87bn.

Mr Beteta said Mexico would continue to pursue a flexible pricing policy for its oil in an effort to defend its declining market share, but ruled out selling in the spot market or other "speculative" practices.

Mr Beteta also ruled out a partial surrender of the state monopoly in the oil industry, as Mexico's bankers, among others, have been suggesting.

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every Tuesday in the  
**FINANCIAL TIMES**

**Zambia Consolidated Copper Mines Limited and its subsidiary companies**

Operating and Financial Results for Quarter ended 31 December 1985	Quarters ended		Nine months ended		Consolidated Profit and Loss Account (Unaudited and Condensed)			
	31 December 1985	1984	31 December 1985	1984	Km		Km	
Production (tonnes)								
Copper	109 767	129 230	347 918	394 283	Sales	1 380.4	516.0	2 689.8
Cobalt	1 158	749	3 226	2 600	Cost of Sales	832.1	387.0	1 357.2
Lead	2 145	1 516	6 248	7 669	Profit on sales	548.3	129.0	663.6
Zinc	5 438	5 030	16 432	23 365	Share of associated companies' profits	—	0.1	—
Sales (tonnes)					Exchange loss	(282.2)	(18.4)	(330.4)
Copper	147 537	151 517	484 374	436 458	Interest receivable	2.2	5.2	3.2
Cobalt	903	1 307	2 959	2 394	Interest payable	(94.8)	(39.4)	(173.5)
Lead	1 806	1 579	5 644	7 853	Profit before taxation	171.5	72.7	165.5
Zinc	4 630	4 577	14 125	23 311	Taxation (payable)/recoverable	—	—	—
Average realisations (Kwacha per tonne)					—Mineral export tax	(155.3)	(35.2)	(244.2)
Copper	7 956	2 819	4 781	2 663	—Equity levy	(0.1)	—	(0.2)
Cobalt	138 451	50 324	79 530	44 519	—Income tax	3.3	(1.1)	2.4
Lead	2 819	507	1 562	823	Net profit/(loss)	19.4	36.4	(76.5)
Zinc	4 054	1 729	2 812	1 737	Profit/(loss) per share	K0.21	K0.40	K(0.86)

NOTES:  
(1) The financial summaries are presented in Kwacha, the currency of Zambia.  
(2) In some respects, the accounting principles adopted by the group differ from those used in the United States of America. The group's Annual Report Form 20-F to the Securities and Exchange Commission describes the major differences.  
(3) At 31 December 1985, the exchange rates were K1 = US\$0.175 and K1 = £0.121 and on 3 March 1986 K1 = US\$0.142 and K1 = £0.097.

**QUARTERLY REVIEW**

Copper production for the quarter ended 31 December 1985, at 109 767 tonnes, was 19 463 tonnes lower than the 129 230 tonnes achieved in the corresponding quarter of 1984. The lower output was attributable to the continuing shortages of spare parts and consumables. Copper sales, at 147 537 tonnes, were 3 980 tonnes lower than the sales of December 1984 quarter. Copper sales included metal bought-in and delivered to the group's customers by its associated company, Menace Trading Limited.

The average sales realisation on copper, at K7 956 per tonne for the quarter, was 132 per cent higher than the K2 819 per tonne obtained in the same period of 1984. This was due to the substantial depreciation of the Kwacha, following the introduction of the foreign exchange auctioning system in October 1985. This trend affected realisations on other metals.

Cobalt production, at 1 158 tonnes, was 51 per cent higher than the production in the same quarter of 1984. Sales of cobalt, at 903 tonnes, were 31 per cent lower than the 1 307 tonnes sold in the corresponding period of 1984. The average sales realisation for cobalt, at K138 451 per tonne, was significantly higher than the K50 324 per tonne realised in the December quarter of 1984.

Production of lead, at 2 145 tonnes, was 43 per cent higher than the 1 516 tonnes produced in the same period of 1984. Zinc production of 5 438 tonnes was 12 per cent higher than the production in the corresponding quarter of 1984. Lead sales of 1 806 tonnes were higher than the sales achieved in the December quarter of 1984, while the zinc sales of 6 030 tonnes were lower than the sales achieved in the December 1984 quarter.

Total sales revenue for the quarter was K1 380.4 million, an increase of 168 per cent over the K516.0 million for the corresponding quarter of 1984. The group recorded a profit on metal trading of K548.3 million for the quarter, against a profit of K129.0 million in the quarter ended 31 December 1984. After taking into account net interest of K94.0 million an exchange loss of K282.2 million and mineral export tax and other taxes amounting to K155.3 million, the group achieved a net profit of K19.4 million for the quarter, compared with a net profit of K36.4 million recorded during the same period of 1984.

In accordance with legislation enacted in August 1985, the rate of mineral export tax was increased from 10 per cent to 13 per cent in December 1985 with retrospective effect from 1 October 1985. This increase has resulted in an additional charge of K35.3 million for the quarter, which is reflected in the results reported.

For the nine months to 31 December 1985, the group incurred a net loss of K76.5 million compared with a net profit of K16.5 million recorded during the same period of 1984. During the quarter, the Kwacha moved from K1 = US\$0.448 and K1 = £0.318 at 30 September 1985 to K1 = US\$0.175 and K1 = £0.121 at 31 December 1985. This represented a depreciation of the Kwacha of 61.0 per cent against the dollar and of 61.8 per cent against sterling.

The Board of Directors has not declared a dividend in respect of the quarter ended 31 December 1985.

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March, 1986



**£35,000,000**

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Agent Bank: County Bank Limited  
Managed by: Credit Suisse First Boston Limited

March 1986



**£50,000,000**

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**Certificates of Deposit**  
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March 1986

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Holders of Notes of the above issue are hereby notified that for the first interest sub-period from 20th March, 1986 to 21st April, 1986 the following will apply

- Interest Payment Date 22nd September, 1986
- Rate of Interest for Sub-period 7 1/4% per annum
- Interest Amount payable for Sub-period US\$ 66.67 per US\$ 10,000 nominal US\$ 1,666.67 per US\$ 250,000 nominal
- Accumulated Interest Amount payable US\$ 66.67 per US\$ 10,000 nominal US\$ 1,666.67 per US\$ 250,000 nominal
- Next Interest Sub-period will be from 21st April, 1986 to 21st May, 1986

Agent Bank  
Bank of America International Limited

Weekly net asset value



**Tokyo Pacific Holdings (Seaboard) N.V.**  
on 17th March 1986 U.S. \$120.63

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V.,  
Herengracht 214, 1016 BS Amsterdam.

**AIBD BOND INDICES**  
WEEKLY EUROZONE GUIDE MARCH 14 1986

Redemption	Yield	Change		12 Months	
		on Week	%	High	Low
US Dollar	9.540	-1.973	12.240	9.539	
Australian Dollar	13.831	-2.606	14.630	12.600	
Canadian Dollar	11.219	-1.709	13.060	11.074	
Euroguilder	6.153	-0.932	7.710	6.094	
Euro Currency Unit	9.112	-1.916	10.000	9.112	
Yen	6.654	-0.359	7.330	6.438	
Sterling	10.478	-3.827	11.932	10.478	
Deutschemark	6.599	-0.182	7.770	6.582	

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# INTL. COMPANIES & FINANCE

## STOCK EXCHANGE SET FOR GREATER FOREIGN PARTICIPATION

### Singapore to ease broking rules

BY CHRIS SHERWELL IN SINGAPORE

THE SINGAPORE Government appears committed to allowing increased foreign participation in local stockbroking firms at an early date, with majority control likely in some cases. Dr Richard Hu, the Finance Minister, told parliament that stakes of 49 per cent were under consideration and added that exceptions might be made. He was responding to suggestions that foreign firms be allowed full membership of the Singapore Stock Exchange in the wake of its current crisis.

At the same time the exchange's management has recommended that foreign institutions initially be allowed to hold up to 40 per cent of the equity in member firms, and that this proportion be allowed to increase every three years. The exchange's recommendations are contained in a document put out on Monday which gives member firms only 72 hours to respond. The move reflects the impression that the Government is determined to press ahead with changes as quickly as possible after years of members' foot-dragging.

This follows a separate development in which the Government unexpectedly made further changes in its 99-page Securities Industries Bill, first laid before parliament in January. A fresh Bill introduced last month inserts new provisions allowing the Monetary Authority of Singapore, the island state's powerful regulatory body, to forbid or restrict forward share dealing and off-floor trading, activities which are widely believed to have contributed to the current crisis in the local exchange.

The Bill also broadens still further the definition of "security," making the Government's control of the industry even more far-reaching. Some bankers believe this control may be so extensive it could dampen foreign institutions' enthusiasm for setting up in Singapore. Regarding foreign participation in local broking firms, most prospective foreign partners believe that 40 per cent

### Foreign demand for SIA shares causes problems

A PROBLEM has arisen for Singapore International Airlines because of the recent surge in foreign demand for the national carrier's shares since it went public last December, Chris Sherwell writes from Singapore. The problem is a limit of 20 per cent restricting the foreign shareholding in the company, specified in its articles of association. By this month, 16.5 per cent of SIA's total 620m shares had already found their way into foreign hands.

Brokers who see SIA as the best buy on Singapore's persistently weak stock market have grown cautious about recommending the share in order to avoid any embarrassing share certificates. The effect of this view is to soften the company's share price. SIA shares closed on the Singapore Stock Exchange at \$56.40 yesterday. Last month they were at \$58.95, pushed by the fuel price outlook, government reductions in labor costs and a favourable currency trend.

This in turn was in stark contrast to its share performance immediately after the public offer, when the price slid to a low of \$33.98 under the impact of the Pan-Electric affair and the release on to the market of an additional 30m employee-owned shares. Of the original 100m shares offered, just over 40m were privately placed abroad. These became tradable when a 120-day moratorium expires on April 17, which could affect the price further, but the overall foreign stake has meanwhile increased to at least 102m shares. The company is believed to

be examining the problem caused by the 20 per cent limit. It has mystified broking analysts, who point out that the Singapore Government still owns more than 63 per cent of the company. It is possible that, without a resolution of the problem, SIA's hopes of eventual overseas listings will have to be frozen. On the other hand, it is widely agreed to be hot analysts are projecting group pre-tax profits in 1987 of more than \$370m (US\$170.9m). The 1985 figure was just under \$206m.

### First-quarter reverse for Sony

BY YOKO SHIBATA IN TOKYO

SONY, the Japanese electronics group, suffered a 5.5 per cent fall in consolidated net profits to ¥13,731m (\$107m) for the first quarter ended January 31. Given the steep appreciation of the yen during the period, Sony managed to contain its profit fall because of strong sales of high margin products such as compact disc (CD) players and the new format Super video cassette recorders (VCRs).

Because of the company's high proportion of overseas sales, accounting for 71 per cent of total turnover, its exposure to the impact of the exchange rate had been of concern. Operating profits for the quarter declined by as much as 22.2 per cent to ¥27,291m, reflecting the run-up in the yen's value, which offset pro-

duct price rises and cost reduction efforts. Per-share profits came to ¥91, down from ¥96 a year before. Sony achieved sales growth of 8.4 per cent to ¥366.05bn in the quarter. Domestic sales rose 17.7 per cent, but overseas sales were up a more muted 5 per cent. Sales in the US accounting for 22.5 per cent of all turnover, surged by 34 per cent in dollar terms, but in yen terms the increase was only 6.3 per cent.

Sales of video equipment advanced by 8.5 per cent in value, reflecting expanded shipments of 8mm VCRs to 300,000 units, compensating for sluggish sales of Beta-format half-inch VCRs. Sales of audio equipment climbed 18.7 per cent, supported by compact disc

### African Cables back to profit

By Jim Jones in Johannesburg

AFRICAN CABLES, the South African associate of BICC of the UK, returned to profits in the six months to January and has restored its dividend. Turnover rose to R42.6m (\$21.3m) from R37.3m and pre-tax profits of R2.18m were achieved against a loss of R3.40m. The interim dividend is 3 cents, paid on net earnings of 5.16 cents a share against losses of 10.96 cents.

### ICI Pakistan lifts dividend

BY MOHAMMED AFTAB IN ISLAMABAD

ICI PAKISTAN Manufacturers, which produces soda ash and polyester fibre, has increased its dividend from 25 per cent to 32 per cent for the year to last September. A further payout is expected as various units of ICI are planning to merge in Pakistan. The company benefited from a sharp reduction in its current and deferred tax liability, following a government cut in corporate taxes for 1985-86. The tax concession assisted a 407 per cent increase in net profits to PRs 138.5m (\$8.68m).

Sales increased 10.2 per cent to PRs 966m (PRs 876m in 1984). This was despite what the company sees as unfair competition to its polyester fibre, from South Korean and Taiwanese imports, which it described as dumping. The paid-up capital was unchanged at PRs 260m, of which ICI of the UK controls 61.56 per cent. Its current assets are PRs 456m. The company is expanding its soda ash unit. It has also sought government permission to expand its polyester fibre factory.

This advertisement complies with the requirements of the Council of The Stock Exchange.

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Application has been made to the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland ("The Stock Exchange") for the Notes to be admitted to the Official List. The Notes will bear interest as from 25th March, 1986 at the rate of 10½ per cent per annum, payable annually in arrears on 25th March, the first such payment to be made on 25th March, 1987.

Listing particulars relating to the Notes and Amsterdam-Rotterdam Bank N.V. are available in The Extel Statistical Service and copies may be obtained during usual business hours up to and including 24th March, 1986 from the Company Announcements Office of The Stock Exchange and, up to and including 3rd April, 1986, from the addresses shown below:

**Cazenove & Co.,**  
12 Trenchard Street,  
London EC2R 7AN.

**S. G. Warburg & Co. Ltd.,**  
33 King William Street,  
London EC4R 9AS.

20th March, 1986

# Saab-Scania Results 1985

- Consolidated sales SEK 32 billions, +23 percent
- Consolidated income SEK 2.8 billions, +9 percent
- Pretax return on total assets 14.5 percent (16.4)
- Income per share SEK 60.00 (58.35)
- Proposed dividend SEK 14.00 (10.00) per common share



During 1985, for the ninth successive year, Saab-Scania Group sales and income both increased, thus continuing the Group's favorable development. Scania increased its market share in Western Europe and began marketing its trucks in the USA. Saab car sales in the USA continued to be successful, making it Saab's largest single market for the second year. During the year Saab-Scania took over total responsibility for the Saab SF340 project. Delivery was completed of the first series of the RBS15 anti-ship missile. In February 1986 a full scale mock-up of the new Swedish multi-role combat aircraft, the JAS 39 Gripen, was presented. On the 22nd of February 1986, Viking, Sweden's first research satellite was launched. In the beginning of 1986 the company decided to increase production capacity for Saab cars. The new car plant will be built in Malmö, Sweden.

The interim report for the period January to April 1986, will be published on June 18, 1986.



Please send me a copy of the Saab-Scania Group year-end report 1985.

Name \_\_\_\_\_

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Company \_\_\_\_\_

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Please return this coupon to Saab-Scania AB, Corporate Communications and Public Affairs, S-381 88 Linköping, Sweden.

### Alcoa eyes group with \$2bn sales

By Our Financial Staff

ALUMINUM COMPANY of America (Alcoa), the largest US aluminium producer, is hoping to acquire an unidentified US company with annual sales of \$2bn as part of its diversification efforts. Mr Charles Parry, chairman, has revealed. Mr Parry said in New York that Alcoa had been studying an acquisition for a number of months and had been focusing on three of four companies. He would not identify the type of business in which the potential acquisition is engaged, but did say that a bid could be made within several months. Alcoa has recently been trying to diversify from basic aluminium production, and in January announced a \$100m joint venture with Metal Box of the UK to make plastic food-packaging. Mr Parry added that Alcoa had been studying for the past six to nine months the possibility of selling some of its property assets.

All of these securities having been sold, this announcement appears as a matter of record only.

February, 1986

## 6,900,000 Shares

# Chesebrough-Pond's Inc.

## Common Stock

This portion of the offering was offered in the United States by the undersigned.

5,750,000 Shares

This portion of the offering was offered outside the United States by the undersigned.

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Shearson Lehman Brothers Inc.

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In accordance with the terms and conditions of the Notes, notice is hereby given that for the three month interest period from 18th March 1986, the Notes will carry a rate of interest of 11.75% per annum. The relevant interest payment date will be 28th June 1986. The coupon amount per £1000 will be £117.50 payable agent's name of coupon No. 10.

Hambros Bank Limited  
Agent Bank

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Notice is hereby given that the Rate of Interest has been fixed at 11.725% and that the interest payable on the relevant Interest Payment Date, June 19, 1986 against Coupon No. 2 in respect of £10,000 nominal of the Notes will be £275.53.

March 20, 1986, London  
By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANK

MARINE MIDLAND BANK N.A.  
U.S.\$125,000,000 Floating Rate Subordinated Capital Notes Due 1996

For the three months 19th March, 1986 to 19th June, 1986 the notes will carry an interest rate of 7 7/8% per annum with a coupon amount of U.S.\$194.86 per U.S.\$10,000 note and U.S.\$974.31 per U.S.\$50,000 note. The relevant interest payment date will be 19th June, 1986.

Listed on the London Stock Exchange

Bankers Trust Company, London  
Agent Bank

# INTERNATIONAL COMPANIES and FINANCE

## Budget opens window for sterling bonds

**BY OUR EUROMARKETS STAFF**

A WINDOW opened in the Eurosterling bond market yesterday as British interest rates fell and in reaction to the Budget's imposition of stamp duty on domestic bond trading. Two British borrowers tapped the market, including Imperial Chemical Industries which broke new ground in two respects.

Morgan Grenfell and Lloyds Merchant Bank led ICI's £100m deal, which has a novel 17-year maturity and was the first long-term sterling corporate debt not to include covenants which have previously been demanded by institutional investors.

In yesterday's very strong market, investors bought the paper first and decided to worry about the covenant issue later. The ICI deal has a coupon of 10 per cent and an issue price of 99, and was trading above par last night.

Investors in Industry (SI) launched a more conventional seven-year £80m first tranche of a £100m Eurosterling issue with a 10 per cent coupon and price of 100, with S. G. Warburg as lead manager. It was quoted later at less than 1 per cent bid.

This is the first fixed rate Eurosterling issue for this borrower for some years, and SI said that they saw yesterday's strong market as an exceptional opportunity to make an issue. The proceeds will not be swapped.

Centrust Savings Bank launched a \$100m Eurobond maturing in 1993. The issue was priced at par, and has put and call options at par in 1991. It is in targeted registered form and is collateralised with cash, US Treasuries and US Government Agency Securities.

In the Ecu market, secondary prices moved slightly easier on profit-taking.

Credit Foncier de France launched an Ecu 200m floating rate note priced at 100.05 per

## Hungary launches unique floater

**By Peter Montagnon, Euromarkets Correspondent**

A UNIQUE combination of US Treasury and East European risk was on offer in the Euromarkets yesterday with a \$250m floating rate note launched by Dean Witter Capital Markets. The proceeds are designed to finance Hungarian trade.

The issue, in the name of a specially created vehicle company, Continental (Bermuda), is guaranteed by the Hungarian Foreign Trade Bank.

It has an unusually long 20-year life, normally unavailable even to these few East European borrowers whose credit standing is sufficient to make them eligible to launch issues in the bond market.

Dean Witter said it had been able to arrange this by using what it called a "risk conversion" feature. Part of the proceeds will be set aside by Continental and used to buy zero-coupon US Treasury bonds with a face value of \$250m.

These holdings will act as collateral for the issue. The backing will also be reinforced by the investment of a further 15 per cent of the proceeds in high-grade liquid short-term money market instruments in the US.

The idea is that as the value of the zero coupon securities increases over time the Hungarian element in the risk will diminish providing additional comfort to investors.

The issue bears interest of a margin over three-month London interbank offered rates of 1/2 per cent and an issue price of par, but the actual cost to Hungary depends heavily on the future level of interest rates.

This will determine both the cost at which the zero coupon bonds are bought and the ongoing cost of servicing which are locked away as collateral.

Gross fees on the bonds total 2 1/2 per cent including a lead managers' premium of 1/2 per cent. The deal will be sold in registered form only in minimum denominations of \$250,000.

## Peter Montagnon looks at the prospects for new borrowing by a debt-laden country Greece must turn on charm with lenders

GREECE IS gingerly preparing a return to the international capital markets after a six-month break in borrowing amid worries that its mounting foreign debts were getting out of hand.

Mr Spiros Papanicolaou, senior central bank official responsible for negotiating foreign borrowings, expects to launch a credit for the Bank of Greece around the end of the month or in early April. That could be followed later in the year by borrowings from state sector entities such as the telecommunications authority OTE and Public Power Corporation which would make up the rest of the country's financing needs for 1986.

Yet choosing the right moment is an extremely delicate task for Greece which still faces resistance among bank lenders. Bankers say it will not be easy to convince their credit committees to create space in their books for fresh Greek borrowings without clear evidence that the austerity measures announced last autumn are actually working.

"That would imply a need to wait until the summer when figures for the first few months of 1986 become available. Mr Papanicolaou would prefer, however, to get this year's borrowing programme under way sooner.

He believes that the sharp fall in interest rates and oil prices have already improved the current account balance of

payments outlook for 1986. Last autumn, when the Government said its target deficit for this year was \$1.7bn, the figure seemed ambitious, he said. Now in the light of these external factors, it prices Greece stands to save some \$600m to \$700m in import costs.

On current estimates Greece will have a total foreign borrowing requirement of some \$1.7bn to \$1.9bn in 1986. The range from the European Economic Community as the first tranche of its Ecu 1.7bn loan agreed for Greece last year. The remainder is due to be released in 1987.

The European Investment Bank is also expected to lend Greece some \$400m this year. This leaves between \$500m and \$700m to be raised on private capital markets, a level which bankers feel ought to be manageable, provided the coun-

short-term foreign debt of only \$800m representing a small proportion of its overall indebtedness.

Already Greece has been dipping its toe in the water with some small private international club deals. Earlier this month it raised CPMs through a group of banks led by Bank of Nova Scotia, though this was specifically tied to the finance of Canadian exports to Greece.

The Bank of Greece has also just arranged a \$60m, five-year loan through a club deal led by Denmark's Privatbanken. The deal carries a margin of just 1/2 per cent over London interbank offered rates and involves an unusual currency option in that lenders can switch the borrowing from dollars into D-Marks at a present exchange rate.

That sort of twist would not be possible for a larger loan of the type the Bank of Greece is now planning. This will require a close relationship with banks and a clear retreat from the dictatorial approach Greece has adopted to foreign lenders in the past. Of particular importance will be the attitude of Japanese lenders who say they face resistance in their Tokyo head offices to a country which many believe last year came to the brink of re-scheduling.

In the event Greece was rescued by the EEC loan and able to add another \$500m of its own imposition of austerity measures. But it still has to

contend with a high foreign debt unofficially estimated at around \$150bn and with the need to meet steadily rising amortisation payments over the next few years. For these are set at around \$1.4bn and they rise to a peak of \$1.8bn in 1988.

Last year's austerity measures, which may lead to a small drop in real economic output this year, included devaluation of the drachma by 15 per cent, tough constraints on budgetary spending and domestic credit expansion—aimed at more than halving the balance of payments deficit from last year's \$3.3bn and cutting inflation to 16 per cent in 1986 from 25 per cent last year.

None the less Greece's economic outlook is particularly hard to read and bankers say they would like the Bank of Greece to mount a full-scale roadshow in financial centres so that they can have a closer look at its figures. Feeling that their requests for more financing would be more an act of faith than anything else. It is, however, an act of faith that has paid off in other cases.

Portugal, another new EEC member, came to the brink of re-scheduling in 1983, but it too adopted stringent austerity measures as a result of which its balance of payments improved and its credit rating soared to the point where it has been able to add another \$500m of its older debt at sharply lower costs.

### GREECE'S VITAL STATISTICS

	1981	1982	1983	1984	1985
Current account payments	2.4	1.9	1.9	2.1	2.3
Deficit (\$bn)	7.9	9.5	10.6	12.3	15.0
Foreign debt (\$bn)	14.8	17.8	18.1	18.1	18.1
Real growth (%)	-0.6	-0.7	-0.4	1.8	2.5
Inflation (%)	24.5	21.0	18.0	18.0	18.0

Source: OECD, Greek official figures and bankers estimates

## Merrill incurs loss from alleged Japanese default

**BY OUR FINANCIAL STAFF**

MERRILL LYNCH OF THE US, which last month became the first foreign member firm on the Tokyo Stock Exchange, disclosed yesterday that it had suffered unspecified losses as a result of an alleged default by a Japanese client.

This follows a similar announcement on Tuesday by W. L. Carr (Overseas) (Wico), the Far East stockbroker arm of Exco International, the UK money broker. Exco has agreed to a \$30m deal on which it faces potential losses of some \$2.5m.

Mr Tom Debow, a Merrill vice-president, said a client "did not meet his obligations" in settling an account. If the

## Fiat increases stake in SNIA

**BY ALAN FRIEDMAN IN MILAN**

SNIA BPD, the Italian fibres, munitions and chemicals group which has Fiat as a major shareholder, is paying L376bn (\$244m) in shares to buy Bioengineering, a Fiat subsidiary.

The result of the issue effected by the new SNIA shares, priced at L4,300 each, will lift Fiat's stake in SNIA from around 24 per cent to 37 per cent.

Fiat is understood to have recently been buying additional Bioengineering shares and may well now hold effective control of SNIA.

Bioengineering had 1984 net profits of L10.5bn. Bioengineering owns 75 per cent of the publicly quoted Forin which has a current market capitalisation of L491bn.

SNIA yesterday said that its 1985 operating profits were essentially unchanged over 1984. SNIA turnover rose by 11.3 per cent to L2,328bn and is forecast to rise this year to L2,626bn.

SNIA did not yesterday disclose 1985 net profits. Necchi, which makes compressors and sewing machines, reports a net profit of L9.5bn for 1985, a 22 per cent rise. Sales rose 11 per cent to L1,930bn. The board voted a dividend of L210 for each saving share and L170 for the common shares.

## FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on March 19

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Day	Week	Yield
Amev 10 1/2 82	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 82	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 83	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 84	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 85	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 86	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 87	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 88	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 89	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 90	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 91	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 92	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 93	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 94	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 95	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 96	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 97	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 98	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 99	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 00	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 01	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 02	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 03	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 04	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 05	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 06	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 07	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 08	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 09	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 10	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 11	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 12	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 13	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 14	100	106	106 1/2	0	+0.85	8.05
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Amex 10 1/2 49	100	106	106 1/2	0	+0.85	8.05
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Amex 10 1/2 52	100	106	106 1/2	0	+0.85	8.05
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Amex 10 1/2 59	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 60	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 61	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 62	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 63	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 64	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 65	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 66	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 67	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 68	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 69	100	106	106 1/2	0	+0.85	8.05
Amex 10 1/2 70	100	106	106 1/2	0	+0.85	8.05
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Amex 10 1/2 80	100	106	106 1/2	0	+0.85	8.05
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# Accountancy Appointments

## FINANCIAL CONTROLLER

With the backing of a substantial worldwide group this international trading company continues to experience exceptional growth. This highly commercial role carries responsibility for bank negotiations relating to new projects, currency dealings, monitoring and controlling overseas operations and contract evaluations. Applicants should be qualified ACA's, ideally possessing international trading experience, with the ability both to take on the unexpected and to operate in a progressive commercial environment. Ref: CV. W. LONDON

To £25,000 + Car

## BUSINESS ANALYSIS

This diverse UK group continues to expand both organically and through acquisition. Providing an independent assessment of the performance of UK operating companies, the Group Management Accountant is responsible for the review and interpretation of monthly management information, business analysis, investigations etc. Suitable candidates, aged 28-32, will be qualified accountants possessing commercial awareness, an analytical approach and excellent interpersonal skills. Ref: JG. C. LONDON

To £26,000 + Car

## LLOYDS CONTROLLER

A recently formed City based brokerage seeks an ambitious qualified accountant for a development role. Responsible for all aspects of finance, the position calls for knowledge of Lloyds procedures and the ability to respond quickly and positively to the demands of high growth. The successful candidate will possess ambition and drive and display the necessary commitment to function effectively at the most senior levels. Ref: PAB. C. LONDON

£20,000 + Car

ROMAN HOUSE, WOOD STREET, LONDON EC2Y 5BA. 01-638 5191

## ROBERT HALF

## SOUTHEND TRANSPORT LIMITED

### Financial director/ company secretary

c£19,000 + car



For a new public transport company shortly to take over operation of the existing bus undertaking from the Borough Council. The company is expected to have a turnover of around £5m in its first full financial year. A particular feature of the business is the innovative express service to London and Heathrow Airport, started some years ago and which now represents a substantial element of the business. The company will initially provide engineering services for the Council's general vehicle fleet.

Reporting to the Managing Director you will have total responsibility for the financial function and for company secretarial matters. Your first task will be to review existing financial and management accounting systems for the control and monitoring of the company's operations and, if necessary, design and implement improvements. Thereafter you will play a key role in the planning, budgeting, control and monitoring of the company's finances while also acting as Company Secretary.

As a qualified accountant you must have proven experience ideally in a controller role, preferably gained in a commercial or industrial environment and should be familiar with computerised accounting systems. You should have a consultative management style and first class interpersonal skills.

Applications are also being invited for the post of Managing Director.

Résumés including daytime telephone number to Torrance Smith, Executive Selection Division, Ref. SF467.

Coopers & Lybrand associates

Coopers & Lybrand Associates Ltd management consultants  
10 Bouviera Street  
London EC4Y 8AX

## Partner Potential

Financial Consultancy

Manchester

As one of the leading international firms of chartered accountants and business advisers, we provide high quality and wide ranging services to clients of all sizes. Within our services, management consultancy plays an important part and is enjoying rapid growth; as part of our planned future growth, we are seeking a further first class experienced professional, with short term partnership potential to manage our financial consulting team based in Manchester.

As part of a high calibre team there is the opportunity to work with staff from all disciplines, identifying market needs, further developing our client services and making a substantial contribution in a highly varied environment. The position offers a stimulating, challenging and rewarding career opportunity for an accountant who enjoys a fast pace, and has the potential to become a partner sooner rather than later.

The successful candidate will probably have a degree, be in their mid 30's and

will have the significant experience of management in industry, commerce or the public sector. This should also include proven achievements in one or more of the following:

- planning and forecasting
- development and implementation of management accounting systems
- implementing computer based management information systems

Experience as a consultant with a substantial firm is also highly desirable. Remuneration will reflect the quality of the person sought and the short term partnership prospects.

Please write in confidence detailing your experience and present salary to John Calvert, Peat, Marwick, Mitchell & Co., Management Consultants, Century House, 7 Tib Lane, Manchester M2 6DS.



## FINANCIAL CONTROLLER

FOR WEST LONDON INSURANCE GROUP

Medium sized (T/O £3m) specialist company with large client list seeks a financial controller capable of working on their own initiative with a small management team where they will have an opportunity to contribute to the overall direction and growth of the company.

The successful applicant should be between 28-45 years of age with several years post qualifying experience in a service industry, preferably insurance based but not essential.

The responsibilities of the post will be for the full accounting and financial control of the group, including the management of the existing accounts department, all statutory accounting functions, budgetary control, financial appraisals, monthly management reporting and statistical analysis. General computer and computerised accounting experience is essential.

The Financial Controller will report to the Chairman and Board of Directors.

Salary negotiable but to include company car, private medical insurance and pension. Please send full CV, to D.J. Simpson, Chairman, or telephone Marie Leibenz for an application form on 01-995 1414.



319-327 CHISWICK HIGH ROAD, LONDON W4 4HH

## General Manager Finance

Our client is a British group specialising in the distribution and retailing of fuels and lubricants. They are seeking a general manager to lead their accounting function.

Reporting to the Chief Executive, and responsible for a small department, the manager will provide a financial service to two major operating divisions. In particular they will prepare monthly accounts, control the group computing facility and manage the preparation of statutory returns.

Ideal candidates will be qualified accountants, aged around 30, with at least 3 years' commercial experience. Apart from technical competence as an accountant, the candidate must be able to ensure tight control over widespread operating units. As a key member of the management team they will have the personality to represent the financial point of view. Experience of computerised systems is essential, knowledge of a Data General MV4000 would be beneficial. A willingness to travel within the UK is required.

The salary will be c£22,000, a company car is provided along with free medical insurance and other benefits.

Location: Watford.

Please write in confidence to: Joanna Corr (ref 4551).



Thomson McLintock

Management Consultants  
70 Finsbury Pavement, London EC2A 1SX

## Chief Accountant

attractive + car

Spillers Foods an established UK leader in the pet food and human food markets now seeks a mature, well qualified accountant to help strengthen its already successful position.

Reporting to the Divisional Financial Controller, you will be directly responsible for the fulfilment of all statutory and company accounting requirements. The management of all aspects of internal audit and financial reporting, including weekly, monthly and annual management and statutory accounts and reports will also be part of your brief. An important function of this role will be the organisation and monitoring of forecasting, planning and budgeting procedures to meet company and Group financial objectives.

Firm and effective policies for financial control are required, and the Chief Accountant must implement and maintain the procedures and systems needed to assist accurate and profitable financial decision making.

This is a key appointment calling for a fully qualified ACA, ACCA or ACMA with a minimum of four years' post qualification experience, gained in both financial and management accounting. A good communicator, you must be highly motivated, with the drive and enthusiasm needed to organise and lead others. Previous exposure to sophisticated computer-based systems is essential.

We offer a competitive salary, and a company car, plus the attractive range of benefits you would expect from a member of a major, multi-national group. Assistance with relocation expenses will be given, where appropriate.

Please telephone Mike Langley, Personnel Controller on 01-949 6100 ext. 436 for an application form. Spillers Foods Limited, New Malden, Surrey.



Spillers Foods

## FINANCIAL ACCOUNTING MANAGER

City

Excellent salary + package negotiable

THE BANK OF ENGLAND wishes to appoint a Chartered Accountant to manage its financial accounting function.

Primary responsibilities will be the preparation of published and internal accounts and statements, all tax matters and the provision of ad hoc financial accounting advice throughout the organisation.

Candidates should have a minimum of three years' post-qualification experience and be able to demonstrate a comprehensive knowledge of financial accounting, computerised accounting systems and corporate tax, with the ability to apply this acquired knowledge and experience in problem solving.

Candidates, aged 28-35, should have proven abilities in the leadership of a professional team, possessing communication skills for liaison with senior staff. As well as being of interest to candidates with commercial and industrial experience, the post could offer an excellent opening for well-qualified candidates wishing to make a first move away from a professional office.

This opportunity represents a challenging appointment in a stimulating environment for the exceptional candidate who meets the required personal and technical attributes.

Application forms may be obtained by writing to the address below, or by telephoning on 01 601 4518/4618. Application forms should be returned to the address shown by Thursday, 3rd April.

Applications to: Mr. D. A. Sharp, Personnel Division (H05), Bank of England, Threadneedle Street, LONDON. EC2R 8AH.

# BANK OF ENGLAND



## EXCEPTIONAL FINALISTS

LONDON

to £18,500 plus car

Our client is a fast growing subsidiary of a MAJOR INTERNATIONAL GROUP involved in diverse aspects of the leisure industry with group annual turnover running in excess on £1,000m.

Consistent growth has created a number of openings for good all-rounders with strong personal attributes and a track record of PERSONAL EXCELLENCE.

If aged 22-27, please telephone and send your c.v. to:

LYNNE ATTWOOD  
ACCOUNTANCY APPOINTMENTS EUROPE  
1-3 Mortimer St., London W1.  
Tel: 01-589 7695/7739 (direct)  
01-637 5277 ext. 281/282



## FINANCE DIRECTOR

WESTBURY, WILTSHIRE Circa £20,000 plus Car

Tanna Synchronome Ltd, part of Walter Runciman Plc is an established UK manufacturer of clock, fire alarm & access control systems. In addition to the Westbury factory the company has 5 regional sales, engineering and service centres in the UK and a small subsidiary in Belgium.

We are seeking an energetic, qualified accountant, probably between 30 and 40 years old, with a solid commercial and manufacturing background to join our newly restructured management team.

You will need to demonstrate an ability to introduce and maintain effective financial controls and disciplines into a multi-facet company and to contribute generally to the development of a business.

The salary will be around £20,000 p.a. with a quality car and usual benefits.

Please write, with full details to me, Alex Collier, Managing Director,

Tanna Synchronome Limited, Station Road, Westbury, Wiltshire BA13 3JT

## TANN SYNCHRONOME

## CHARTERED ACCOUNTANT Saudi Arabia

Our client, Petromin-Mobil Yanbu Refinery Co. Ltd., is a Saudi Arabian Limited liability company jointly owned by the General Petroleum and Minerals Organisation and Mobil Oil Corporation. The Company is based in Yanbu, on the Red Sea, and its 250,000 barrels per day export fuels refinery is one of the most modern in the world in technology, equipment and business systems.

The Company is offering an opportunity for a Chartered Accountant (or equivalent) who is fluent in spoken and written Arabic and English. Previous experience in commerce or industry is desirable but not essential.

The successful applicant will be assigned to suitable middle management or supervisory positions in the audit, finance or accounting functions in the company.

Salary and benefits for the appointment are negotiable, commensurate with the successful applicant's qualifications and experience.

This vacancy is open to accounting professionals of all nationalities. Nationals of the Kingdom of Saudi Arabia are encouraged to apply. Please write in strictest confidence, quoting ref: 13Q/CA, and enclose all educational and career history to: Webb Whyday Associates Ltd., Castle Gate House, 8 Quarry Street, Guildford, Surrey. Tel: 059927. Facsimile: Guildford (0483) 504855.



## FINANCIAL CONTROLLER

DYNAMIC INTERNATIONAL CONSTRUCTION CONSULTANTS

BIRMINGHAM

£20,000 PACKAGE + CAR

Our client is one of the most successful specialist £ multi-million service groups, providing professional Quantity Surveying, Cost Management and Project Management Services of the highest standards in the construction industry.

With an expanding and impressive client portfolio, it is now necessary to appoint an experienced and self-motivated accountant as Financial Controller to control the daily accounting activities of the Group. Reporting to the Finance Director the ideal candidate will be a qualified ACA or ACCA, experienced in commerce, aged 28-40 years, and used to preparing financial and management accounts to strict deadlines. The ability to control a computerised accounting system is essential.

This key position offers first-class career prospects and excellent benefits.

Please apply in writing with full c.v. to:

P.E.G. MANAGEMENT SERVICES LIMITED  
54 Welbeck Street, London W1M 7HE

Ref: 147

**UK COMPANY NEWS**

**UK stationery boosts DRG to £31m**

BACKED by an outstanding performance in the UK stationery business, the DRG group has lifted its pre-tax profit by 20 per cent, from £26m to £31.2m, in 1985.

Chief executive Mr Moger Woolley says that side of the business expanded its profits by 70 per cent. Real growth was achieved in a number of areas with the Transcript carbonless copy paper business having a fine year. For 1985 a major range of major capital expenditure projects are planned, he says.

The group's return on average capital employed progressed to 23.6 per cent and, with the benefit of last September's £33m rights issue, balance sheet gearing was virtually eliminated. There was a £37.6m reduction in net borrowings.

On capital increased by the 1-for-4 rights, the final dividend is 4.95p for a net total of 8.25p,

compared with 7.5p. Arrangements are being made for shareholders to elect to take shares in lieu of cash.

From turnover of £261.3m (£232.5m) the stationery business provided operating profit of £21.4m (£15m) of which £13.9m (£8.2m) came from the UK.

Mr Woolley states that profits from the paper and board based packaging interests were affected by problems in some traditional markets, but the rigid plastics and plastic film operations continued to show powerful growth in sales and profits. Overall, the division produced turnover of £218.3m (£213.3m) and profits of £8.7m (£10.5m), with the UK falling from £7.2m to £5m.

Office and printing supplies went from strength to strength with large per cent increase in profits and good prospects for 1986.

The specialist engineering activities increased profits by 26 per cent, and design offices and workshops were well loaded at the start of this year.

Overseas business accounted for £11.6m (£10m) of the profit. Medical packaging in the US lifted its profit by 29 per cent.

As part of its growth acquisition programme, DRG has agreed, subject to Government consent, to acquire control of Laboratoires Steril Paris. It manufactures and sells throughout Europe and elsewhere sterilisable flexible pouches for the packaging of medical products.

**comment**  
DRG, a household name of the sixties, which lost its way in the seventies, has now come through the painful process of the recession in good shape. Last year's £33.5m rights issue

has done for the balance sheet what redundancies, rationalisation and disposals have done for the p & l account. Despite its still fair-sized involvement in the low margin, mature parts of the paper and packaging industry, return on capital is now at a high level. New management has led the expansion into growth areas such as carbonless copypaper, medical packaging and hi-tech plastics in the UK and overseas. Even older products like writing paper have been jettisoned. With finances strong there is room for more acquisitions and a high level of capital expenditure, £35m in 1986, to keep the momentum going for a while. The company expects earnings per share to rise this year despite the rights issue, suggesting pre-tax profits of £34m plus and a p/e ratio of 11.4 at worst with the shares at 280p, up 23p yesterday.

**Rank calls temporary halt to Granada bid**

By Raymond Snoddy

The Rank Organisation has, for the time being, withdrawn its £758m offer for the Granada Group.

The decision has been taken because Rank was facing underwriting costs of just under £900,000 a week at a time when it was not clear how long litigation with the Independent Broadcasting Authority over the offer would last.

Rank, however, yesterday agreed with the Take-Over Panel that it would be able to launch a new bid for Granada "within 21 days of the impediments arising from the IBA's decision being overcome."

Last month, the IBA ruled that such a takeover would be "unacceptable" because it would lead to a major change of ownership of a viable ITV franchise holder, Granada Television. The IBA argued that the bid would be a breach of the 1968 Act and the appeal case is now being heard.

The Rank agreement with the Panel means that the group will not face the normal 12-month disqualification from launching another bid. The situation is being treated in the same way as a reference of a proposed acquisition to the Monopolies Commission.

Mr Michael Gifford, chief executive of Rank, said yesterday that Rank's view had always been that there was substantial merit in putting the two businesses together "and this is still our view."

Mr Alex Berruetein, chairman of Granada, said last night: "I cannot see where Rank can go from here. It is clear to me now that they do not even have the ability to manage their offer, never mind Granada itself."

Rank was concerned that even if it was successful in the Appeals Court, the case would then go to the House of Lords for a final verdict. The prospect of becoming an "approved person" to own an ITV company in the eyes of the IBA could take even longer.

"As and when we can get matters sorted out, we can make another bid," Mr Gifford said.

**Beecham starts strategic review with £21m sales**

BY MARTIN DICKSON

Beecham, the pharmaceuticals and consumer products group, yesterday announced the sale of two subsidiaries for about £21m, and a review of overall strategy following last November's ousting of Sir Ronald Halseid, its chairman.

It is selling Rehels Chemical, an American company, to its management in a \$60.5m buy-out, and the retail milk business of Horlicks Farms and Dairies to Unigate for £5.5m.

The sale of the milk business could mark the start of a larger disposal programme as the group takes a fresh look at its peripheral and less profitable activities.

Mr John Robb, who took over as chief executive from Sir Ronald, said yesterday that during the past three months he had initiated a strategic review to improve efficiency, profitability and the

utilisation of manufacturing resources.

"We have also commenced a review of the future prospects for all of our businesses, paying particular attention to further development of our pharmaceutical and over-the-counter medicine interests."

He added: "The emphasis in the short term will be on disposals rather than acquisitions."

Rehels was acquired last November as part of the \$395m purchase of the American Northcliff Thayer group. However, Beecham made clear at the time that it did not intend to hold on to Rehels, which has net tangible assets of about \$18m and is being sold for about 15 times historic earnings.

The milk business, based in Somerset and Avon, was acquired in 1969 as part of

Horlicks. The sale does not affect Horlicks' range of drinks or other parts of the Horlicks Farm business.

Mr Robb said the milk disposal emphasised the intention to concentrate further on mainstream activities.

He said the review, which was likely to be completed in about two months, was examining whether businesses were giving satisfactory returns and whether they met the group's long-term strategic profile as a pharmaceutical and healthcare business.

Beecham, which split the functions of chairman and chief executive on Sir Ronald's departure, has yet to appoint a replacement chairman. The role is being filled at present by Lord Keith, who as senior non-executive director, played a crucial role in the coup that led to Sir Ronald's resignation.

**Willis Faber climbs 29% to over £60m**

Willis Faber, insurance broker, has increased pre-tax profits for 1985 by 29 per cent from £47.03m to £60.71m, with £28.11m coming in the second half compared with £21.81m in 1984.

As a result of the change of year-end of Carter Wilkes and Fane (Holdings) from end-September to end-December, 15 months' results of this subsidiary have been included.

A final dividend of 4.25p is being paid, against 4.75p adjusted for the one-for-one share subdivision which took place on January 13, 1986. The total is up from 6.5p (revised) to 8.75p. Net earnings are shown as 40.1p (29.1p) before the subdivision, and up from 14.61p to 20.05p after.

Net retained brokerage and fee income advanced from £85.37m to £107.49m, while underwriting agencies' fees and

commission rose by just £806,000 to £13.35m. Interest and dividends added £19.46m (£15.73m). Retained premium income, interest and dividends of insurance companies fell from £21.21m to £20.67m, and these companies incurred a higher loss of £3.64m against £963,000.

The share of income of associated companies, excluding Morgan Grenfell the merchant banking associate, which had a record year, fell by £3.07m to £15.38. Including the merchant bank associates contributed an increased £17.01m (£12.89m) to profits.

Mr David Palmer, who is continuing as chairman beyond his normal retirement date, says the results reflect a satisfactory growth in the principal activities of insurance and reinsurance broking in the UK and

around the world, and efforts are being concentrated on the profitable development of this core broking business.

At the year-end the company completed the divestment of its Lloyd's managing agency interests and the proceeds, of £4.8m, are included in the £4.14m extraordinary credit this time (£1.53m debit).

Exchange rates prevailing during the year have benefited the results by an estimated £4.5m compared with 1984, the directors say.

From group income of £140.3m (£113.64m) expenses took an increased £29.7m (£27.55m). Tax was £25.42m (£21.82m), and minorities took £1.39m (£788,000).

**comment**  
This is yet another in a sequence of results from Willis Faber, in which high market

expectations are fulfilled, thereby underpinning its premium rating to the sector. During 1985 the company got a strong boost from Morgan Grenfell, and in contrast to some of its competitors did well out of currency movements, and by dint of skilful currency hedging overturned the adverse effects of the slower growth in earnings during the second half was also encouraging, although the increase in revenues, while perfectly respectable at 16 per cent was no more than in 1984 when rates were much lower. The reason, as the company explains, is shortage of capacity, which will continue to dominate the current year, in which profits may rise to £71m. At 43p, the prospective p/e is nearly 18, the yield, after yesterday's generous increase in the dividend, is 2.8 per cent.

**Rentokil faces OFT referral**

Rentokil announced yesterday that it has been notified that the Director General of Fair Trading will make a reference to the Monopolies Commission relating to the pest control service industry.

The company came at the same time as Rentokil announced a lower-than-expected increase in pre-tax profits for 1985 of £26.04m (£24.75m), achieved on turnover down by £3.12m to £148.25m.

The company has also provided £4.5m as an extraordinary item for possible costs connected with contamination from its US plant in Virginia.

Rentokil's shareholders can expect an increased final dividend of 1.35p (1.35p), bringing the total up from 2.125p to 3.47p. Stated earnings per 10p share improved from 7.35p to 7.89p.

The directors view the future with confidence and expect

better profits growth in 1986.

The extraordinary debit covers estimated costs over the next few years of the removal and treatment of contaminated soil and water at the group's timber treatment site at Richmond, Virginia.

Mr Bill Oakley, Rentokil's finance director, said that legislation in the US had been tightened in recent years. He added that no-one had been harmed by the seepage of chemicals and no litigation had been started against the company.

**comment**  
Levels of profitability in the pest control business have risen more than the odd squeak of protest in the past, so news of the pending monopolies probe was not altogether surprising, its timing, however, could hardly have been more unfortunate, and the combine-

ment of that announcement with the bad news from Virginia and the worse-than-expected profits took the shares down 18p to 165p. On the trading front the group suffered poor performance from its property care division, where a shortage of orders coincided with severe competition, and from its timber treatment division, which experienced poor demand from the construction industry. The negative effects of currency transition took another £1.7m. However, the rest of the group activities performed well, and with the expectation of a better performance this year from the laggards, a resumption of the group's steady growth to at least £30m looks likely. With a tax charge of 38 per cent the shares do not look fundamentally overvalued on a prospective p/e of 16, but the monopolies probe is likely to cast a pall over them in the short term.

**Alida couples rights and scrip with record**

IN ANNOUNCING record results for 1985, Alida Holdings, polythene packaging manufacturer, says it is to raise about £1.69m after expenses, by way of a rights issue, and it also proposes a one-for-two scrip.

Pre-tax profits climbed by 77.3 per cent from £1.95m to £3.42m on turnover up from £25.45m to £28.8m, an increase of just over 13 per cent.

The rights issue will be one new ordinary 25p share for every four existing ordinary shares at a price of 140p each.

In the two years 1984 and 1985, some £4m has been invested in plant, providing the latest polythene extrusion, printing and converting technology. The rights issue, say the directors, will preserve a con-

servative balance between shareholders' funds and bank borrowing.

Total dividends for the year will be 9.75p net. This represents a 50 per cent increase over the potential dividend of 6.5p indicated in the prospectus of October 1984. In the absence of unforeseen circumstances, the board intends to recommend payments of dividends for 1986 which will at least maintain the current level, and after the proposed scrip, dividends for 1986 will be at least 8.5p net.

**comment**  
Alida has had an exciting past. Singer and Friedlander brought it to the market in 1971; Rockware paid £4.6m for it in 1973; there was a £2.9m

management buyout in 1983 and in October 1984 it was floated again, on the USM, via a 140p a share placement which valued the company at \$7m. Singer and the four executive directors hold almost 60 per cent of the existing shares, after the sale of their rights under the proposed issue for some £1.2m. These directors will hold 32 per cent. The money raised by the issue, some £1.7m net, will be used to smooth out the cash flow requirements of the plastic bag company's capital spending over the next year. However, retained profits could, at least partially, have been an alternative source of funds—given 1985's £488,000 dividend payout and this year's promised £509,000. No doubt the com-

pany has moved up towards the higher valued added end of its market and has impressive quality printing on its bags but this rights issue looks more like stage two of a USM flotation than anything else with 40 per cent or so of the cash generated passing out of the business. The scrip issue, or a steeper one, would have been enough to improve marketability. Nevertheless the shares have enjoyed a good run from 1984's placement, up to Tuesday's closing 420p. On forecasts of £2.75m, the prospective p/e on a weighted capital base is 12 (35 per cent tax), scrip price. Which surely still leaves room for upward movement.

**Union Discount makes good start**

First quarter results of the Union Discount Company of London, had been "quite outstanding," Mr Ritchie, the chairman, told members at the annual meeting.

**Tonks expects 25% profit rise**

Newman Tonks, the Midlands based hardware brander products group, yesterday released another circular urging shareholders to reject McKeechnie Brothers £67m offer and announced a pre-tax profit forecast for the year ended October 31 of at least £3.5m—a 25 per cent increase on last year.

The company repeated its claim that there was no industrial logic in the bid as 80 per cent of its own turnover is in strongly branded products while

only 20 per cent of McKeechnie's turnover is in finished products.

"We are a niche, end-product, business whereas McKeechnie is predominantly in semi-manufactured products," said Mr Doug Rogers, the group managing director. He also stressed again that many of Newman Tonks' products were sold through personal contact with architects rather than retail outlets.

Dr Jim Butler, chairman of

McKeechnie, replied that the profit forecast confirmed his own estimates. "Much of the increase will be due to loss elimination and the one-off synergy resulting from the Cartwright acquisition," Newman Tonks also said yesterday that on the basis of its profits forecast earnings per share will be about 12p, compared with 10.65p, and intends to recommend dividends for the current year of 7.2p per share.

**Cornhill Insurance Group 1985 Results**

Premium Income: General (hatched), Life (white)

	1985	1984
Premium Income	230.0	200.5
General business	27.0	23.7
Life business	257.0	224.2

	1985	1984
Profits	(20.8)	(14.3)
Underwriting result	21.5	19.8
Investment income attributable to general insurance funds	0.7	5.5
General insurance profit	7.1	7.3
Shareholders' investment and other income	7.8	12.6
Life business profit	3.2	1.4
Share of associated company result	—	(0.1)
	11.0	14.1

Copies of the Report & Accounts may be obtained shortly from the Secretary at 32 Cornhill, London EC3V 3LL.

**Armstrong profit surges to £3.3m**

THE RAPID rate of acceleration in growth expected by Armstrong Equipment has materialised in the half year ended December 31 1985. Profit before tax has more than doubled from £1.51m to £3.31m.

Mr Harry Hooper, chairman, says the rapid progress is expected to continue since there is much yet to be achieved within the existing business. Taken with the acquisition about to contribute, this should ensure a considerable further growth.

The directors are backing their "considerable confidence" in the future by raising the dividend from £1.44m to 0.75p net. The final in 1984-85 was 0.8p when pre-tax profits reached £4.53m.

The group carries on business as engineers, mainly in automotive components, industrial fastenings and light engineering. Its sales for the half year rose from £49.2m to £57.7m and trading profit from £2.78m to £5.08m. Interest charges

were £1.77m (£1.27m). Most areas in the UK achieved a much better performance, says Mr Hooper. Dertronic, acquired at the beginning of the period, is now in modest profit and the acquisitions of Bramber Springs and GSF Fastenings are expected to contribute increasingly during the second half.

In Spain the CREMSA company, in its steep climb but the suspension company Amortiguadores was slowed by the start-up of new automated equipment; it is now on full stream again.

After £252,000 (£229,000) the interim net profit was £3.06m (£1.23m) for earnings of 5.88p (2.44p) per share.

**comment**  
Even against a raging bull market Armstrong's shares have risen in the year or so. The City was well prepared for these interims and the shares climbed steadily in advance. After some early profit

taking they closed just 9p higher at 131p. Nonetheless Armstrong's profits were better than expected, partly because of the beginning of the period, and partly because of cost cutting; and partly because of a fillip in the fortunes of Europe's beleaguered car industry. The strength of European currencies and the recent House of Lords ruling, opening up the replacement body panel sector, should favour Armstrong. The City expects profits of £3.3m and a p/e of 12 for the year as a whole. European car production should show but marginal increases in the next few years and the continuing improvement in car production quality has taken its toll on the auto parts industry. Margins are already threatened.

Thus far Armstrong has compensated for margin erosion by cost cutting, but after years of rationalisation there are very few costs left to cut.

**Clyde hit by Buchan closure and price fall**

THE SHUT-DOWN last year of the North Sea Buchan oilfield, combined with lower oil prices, has left Clyde Petroleum with reduced profits in the 1985 year.

These fell from £12.31m to £5.55m at the pre-tax level—roughly in line with analysts' expectations—but a sharp fall in the tax bill reduced the shortfall in net earnings, which were down £1.7m to £3.45m.

Further hit below the line by a higher than expected £8.35m write-off relating to its decision to withdraw from the US, and the unchanged final dividend of 1.44p, the company will leave it with a retained deficit of £1.38m, compared with a profit of £8.73m. Group turnover fell from £34.24m to £22.58m.

Future prospects, Dr Colin Phipps, the chairman, says that Clyde is well-placed to see through the problems associated with lower oil prices in the short-term.

He adds that since production recommenced at Buchan last May, it has been at a very satisfactory level.

The effect of the retained deficit, coupled with a loss of £11.9m on exchange adjustments, is to reduce shareholders' funds from £81.5m at the start of 1985 to £78.2m.

tor it is survival of the fittest; and for Clyde, as with all the companies, the longer crude oil prices stay below \$18 a barrel the worse it looks for 1988. At 45p unchanged, Clyde's share price reflects this prospect rather than the results. The good news for the company has to be the Moon Oil strike, now 90 per cent. This locks in the Brisbane company of which Elders Resources holds one-sixth) at the 75p level. A full-scale merger was apparently considered but dropped because of Australian foreign investment barriers. Between now and 1988, the tax efficient Forties Field plus Buchan will be the key UK earners with Ecuador providing the overseas contribution. These look sound enough with oil at a \$15 average. Should the price drop for any length of time below \$12, then the whole of the independent sector, Clyde along with it, does not look viable. Those locked into the shares pre mid-1985 have probably lost the opportunity to get out without taking a big loss but some non-oil components may soon be included to take a longer view on the sector at present prices.

**BOARD MEETINGS**

- The following companies have notified dates of board meetings to the Stock Exchange. Meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.
- TODAY**
- Intertec A and Security Electronics, Sarnat and Developments, Blanche, LWT, Mayhew Feeds, Pacific Sales Organisation, Park Place, Hamilton, Sandercock, Murray and Eden, Sheldon Jones, Toy Hanks, F. W. Thorpe, Westminster and Country Properties.
  - Finlay: Bann Industries, Boddingtons Breweries, Britoil, Bronx Engineering, Central Independent Television, T. Clarke, Church, Consultants (Company and Financial), Edinburgh Financial Trust, A. Jones, Kade International, Legal and General, Octopus Publishing, Ryan International, Sale Tinsley, Schroders, Shapps and Fisher, Smith and Nephew, Superdrug Stores, Trinity International, Turner and Newall, Wickers.
- FUTURE DATES**
- Clax Brothers ..... Mar 25
  - Fleming Japanese Inv Tat ..... Mar 24
  - New Corn Withersand Arase ..... Apr 17
  - Forsting ..... Apr 2
  - Young (H) ..... Mar 26
  - Finlay: Bank of Scotland ..... Apr 23
  - Sank of Properties ..... Apr 2
  - Ingham (George) ..... Mar 21
  - Linn & Continental Advertising ..... Apr 8
  - Martin Cruise Pacific Trust ..... Mar 27
  - North British Canadian Inv ..... Apr 4
  - Raaymakers ..... Mar 26
  - Standard ..... Apr 2
  - Standard Chartered ..... Mar 25
  - Supra ..... Mar 26
  - Wilson Connolly ..... Apr 7

**GEORGE H. SCHOLLES PLC**  
WYLEX WORKS, WYTHENSHAW, MANCHESTER M22 4RA

Manufacturers of Wylex Electrical Products

**INTERIM REPORT**  
Unaudited results for the half-year to 31st December, 1985

	1985	1984
Turnover	14,137	12,109
Trading profit	2,114	1,865
Income from shares in related companies	86	124
Other interest receivable and similar income	246	228
Profit on ordinary activities before taxation	2,446	2,117
Tax on profit on ordinary activities	968	953
Profit after taxation for the period	1,478	1,164
Proposed interim dividend:		
Rate per share	8p	6p
Amount	514	396
Retained profit for the period	964	878
Earnings per share based on profit on ordinary activities after taxation	23.0p	19.7p

The unaudited results for the half year to 31st December 1985 are shown above.

The company has had a successful first half year with a satisfactory upturn in sales and profit. The start of our second half has been encouraging and we look forward to continuing at our present level of activity.

You see a significant increase in the interim dividend. This increase is being paid to improve the relationship between the interim and the final. It should not be taken as an indication of an increase in the total dividend.

The directors have today declared an interim dividend of 8p per share payable on 14th May 1986 to shareholders on the register at 10th April 1986. G. R. C. McDowell, Chairman

**Granville & Co. Limited**  
Member of The National Association of Security Dealers and Investment Managers

8 Lovat Lane London EC3R 8BP Telephone 01-421 1212

**Over-the-Counter Market**

High	Low	Company	Price	Change	Gross Yield	P/E	Fully
148	118	Ass. Brit. Ind. Ord.	134	—	—	—	—
151	121	Ass. Brit. Ind. CULS.	139	—	10.0	7.2	—
75	43	A. Jones, Kade Int'l	7	—	8.4	5.0	11.8
46	33	Armata and Rhodes	35	—	4.0	2.3	23.2
176	108	Barrington Hill	176	+2	4.0	2.3	23.2
64	42	Bny Technology	65	—	8.5	7.0	9.6
201	136	CCL Ordinary	138	—	15.7	15.9	3.4
152	97	CCL 11pc Conv. Pri.	99	—	4.8	3.8	7.2
146	80	Carborundum Ord.	146	+2	7.0	11.8	—
65	48	Carborundum 7.5pc P.	65	—	7.0	12.8	5.8
65	48	Deborah Services	65	—	—	—	—
32	20	Fredonia Parks Group	23	—	—	—	—
106	50	George Blair	106	+1	—	—	—
88	20	Ind. Precision Castings	82	-1	3.0	4.8	16.7
215	161	Ind. Precision Castings	165	—	15.0	9.1	12.7
122	101	Jackson Group	121	—	5.5	4.5	8.1
345	228	James Burrough	240	—	12.0	8.7	—
96	85	James Burrough SpcP	96	+2	12.8	13.2	—
1200	670	Minihouse Holding NV	1160	-15	5.0	8.1	4.9
82	32	Robert Jenkins	82	+1	—	—	—
67	38	Scruttons "A"	30	—	5.0	7.7	—
370	320	Trevlin Holding	330	—	7.9	2.4	6.3
64	42	Walter Alexander	64	+2	8.5	8.1	8.0
228	195	W. S. Yates	200	—	17.4	8.7	8.8

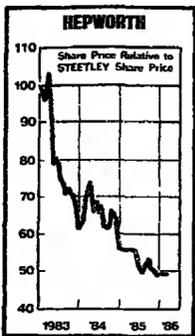
UK COMPANY NEWS

Sirdar ahead 24% and lifts dividend

Sirdar, the Yorkshire-based manufacturer of hand-knitting yarns, saw taxable profits rise by 24 per cent in the first half of the 1985-86 year...

Second half lift gives Hepworth Ceramic £33.5m

A STEADY improvement in the second half has enabled the Hepworth Ceramic Holdings group to reenter and produce a pre-tax profit of £33.54m in 1985...



on closure of related company nil (£399,000), less UK tax relief of £1,400 (£797,000). Exchange debit adjustments of £7.54m (credit £398m) have been dealt with in reserves.

comment The catalogue of misfortunes which hit Hepworth's fortunes occurred mainly in the first half and was well explored at the interim stage...

Advertising boost lifts TSW to over £1m

A 20.9 PER CENT increase in advertising revenue, compared with a national industry average of about 17.2 per cent, contributed to higher pre-tax profits at TSW Television South West Holdings in the six months to January 31 1986.

The profit improved from £536,000 to £1,020m, and this was after operating costs up from £110.8m to £124.6m and a higher Exchange Levy of £521,000 compared with £514,000.

A YEAR OF OUTSTANDING SUCCESS

Extracts from the Statement of the Chairman J G Charles White MA BA

- \* New annual premiums increased by 26% from £27.3m to £34.4m. More than doubling our new annual premiums over the last three years.
\* Performance Bond. Hugely successful launch. On the official start date we had received £74m to invest and by the end of the year this had grown to £133m.
\* Five-fold increase in total single premiums from £36.9m to £189.2m.
\* Investments at market value now exceed £1.8bn.
\* Annual premiums exceeded £120m, an increase of 22% over 1984.
\* Unit-Linked Funds for personal pensions have shown outstanding performance. The Mixed Fund, UK Equity Fund and International Fund are each first in their sector over the three years since their launch.

SCOTTISH EQUITABLE

SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY 28 St Andrew Square, Edinburgh EH2 1YF. Telephone 031-556 9101.

Strong & Fisher drops venture

Strong and Fisher (Holdings), manufacturer of clothing and fashion leathers, has pulled out of the projected joint hotel venture with Polly Peck in Turkey...

December 1985 on turnover figures changed at £25,430 (£25,260m). It will raise its interim dividend from 2.5p to 3p.

see an expansion of our main business, which is leather. Mr Strong and Mr Mark Ellis, joint managing director of Polly Peck...

John Moore on the background to the Clive/Pru-Bache deal Discount houses face up to radical change

THE TAKEOVER of Clive Discount by Prudential-Bache, the US financial services group, which was announced on Tuesday, is the latest in a series of mergers and realignments which have been taking place for some years in the discount market...

through the discount market which has become dependent on the Bank. Markets, however, have been changing. The one in British Government securities—the gilt-edged market—is being reworked as part of the financial services revolution in London...

acquired Setoimbe Marshall & Campion, a small discount house, while more recently Irvine Trust, the US banking group, announced its plans to take over Smith St. Aubyn.

was turned round to a break-even position in the current first half. So will there be other re-groupings? "Clive and Smith St. Aubyn are pawns in the game but the big three (Gerard, Gerrard and Cater) are the players, said one analyst. "It will be a rather different move next time."

CREST NICHOLSON PLC

The holding company with interests in property, sports surfaces, conveying systems, optical products, electronics and marine services

Record Results in 1985

Table with 3 columns: 1985, 1984, and 1983. Rows include Sales, Pre-tax profits, Earnings per share, and Dividends per share.

- \* Increase in profits for the eleventh consecutive year
\* 14% increase in earnings per share
\* Recent merger with C H Pearce & Sons plc announced 21st October, 1985
\* Another year of record profit expected in 1986

Park has 53% of UCAT

The agreed take-over of United Computer and Technology by Park Place, which values UCAT at about £3m, has been accepted by over 93 per cent of UCAT shareholders.

accepted by holders of 52.5 per cent of the UCAT equity. The shareholders of Park Place approved the acquisition at an EGM on March 17 and the offer has now been declared unconditional.

DIVIDENDS ANNOUNCED

Table listing dividends for various companies including Alida, Armasroog Equip, Clyde Pet, Hepworth Ceramic, J. Hewitt & Son, Jamesons Coles, Lov. Trust, Logica, Jones & Shipman, Macellan-Glenlivet, Hugh Mackay, McLaughlin & Harvey, Refraco Group, Renfoll, G. H. Scholes, Sirdar, Strong & Fisher, Trafford Park, TSW-TV, Willis Fisher, Huerter, and DRC.

Dividends shown in pence per share except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

UnitCash advertisement featuring a hand holding a credit card and text: 'UnitCash can give you access to instant, low cost cash credit when you purchase one of the new Royal Bank of Canada Group Unit Trusts...'

RBC Select Income Trust and RBC Select Growth Trust advertisement with graphics of trust boxes and text: 'New. Two Unit Trusts from the Royal Bank of Canada Group!'

RBC Select Income Trust and RBC Select Growth Trust details advertisement: 'The RBC Select Income Trust and the RBC Select Growth Trust are the first authorised Unit Trusts to be launched by The Royal Bank of Canada Group...'

Orion Royal Bank Trust Managers Limited advertisement: 'This form, together with your cheque, should be returned to Orion Royal Bank Trust Managers Limited, PO Box 48, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands.'

UK COMPANY NEWS

Stockley continuing discussions with Stock Conversion

BY MICHAEL CASSELL

Stockley, the Jacob Rothschild-backed property development and investment company, yesterday announced a small £88,000 rise to £3.76m in pre-tax profits for 1985.

The company, which a year ago purchased a 26.5 per cent stake in Stock Conversion, one of the UK's largest property groups, said yesterday that "friendly discussions" with Stock Conversion, aimed at resolving the future relationship between the two companies, were continuing.

Mr Michael Broke, Stockley's chief executive, said that a number of options remained under discussion but that the situation had not been resolved. An announcement was not imminent. The company's profits were boosted by its Stock Conversion shareholding, which contributed £2.1m to the pre-tax total.

Stockley's figures also included profits of £1.95m on the sale of properties, one of which, in Cliswick, was purchased as part of the European Ferries portfolio. The other main sale was of the RAF Club building in the West End of London. Disposals of properties included in the Euroferries deal generated a total of £8.1m during the year and a net profit of £1.1m.

Net rental income was up from £414,000 to £1.95m, and earnings per share rose to 1.44p, against 0.09p, but there

Shell UK has no plans to cut expenditure

BY DOMINIC LAWSON

Shell UK yesterday said that it had no plans to cut its capital expenditure in the North Sea, despite the halving of the oil price. This is in sharp contrast to the other oil majors, including Shell's North Sea partner, Esso, who have announced sweeping reductions in capital expenditure in line with their reduced revenues.

Shell UK also revealed post tax profits of £667m, compared with £383m in 1984. But Shell UK chairman Mr Bob Reid warned yesterday that the company would have "a lousy year" in 1986, if current crude oil prices prevailed.

At the operating level the biggest improvement was in the oil refining and marketing business which turned from a loss of £35m to a profit of £91m. Mr Jaap Klootwijk, Shell UK's downstream chief, said that it was the first time for many years that the downstream

business had made an adequate return and covered its own debt servicing bills and capital expenditure.

Shell said that it would absorb a stock loss of about £100m in the first quarter downstream, but that the business would still break even in the period.

This suggests that the underlying profitability of the downstream business is now running at a rate of about £400m a year, but Mr Reid said that Shell had no hesitation in passing on the budget increase in petrol duty to the consumer. "We are acting as a tax collector for the Government," said Mr Reid.

Shell UK's chemical business made an operating profit of £11m, the first profit since 1978, and a reflection of the restructuring carried out over the past few years. An exception to the rule was the fertiliser business which was down 17 per cent.

Jones & Shipman doubled to £2.1m

THE recovery at Jones & Shipman, the high precision machine tool maker, has continued, leading to doubled profits of £2.12m for 1985. Shareholders benefit with a lift in their net dividend from 2.75p to 3.85p, the final being 2.7p.

Turnover rose by £3.06m to £19.92m while the increase in operating costs was held to £2m. Tax takes £292,000 (£27,000) to leave earnings at £5.3p (8.8p) per share. There is an extraordinary credit of £129,000.

The directors say that the current rate of -1er intake is not as brisk as for the like period of 1985. Nevertheless, they are currently budgeting for a year-on-year increase in both orders and turnover.

Macallan optimistic for 1986

Macallan-Glanlivet, the malt whisky distiller, yesterday reported a slight fall by £26,000 to £719,000 in taxable profits for 1985 but was optimistic that a significantly higher result could be achieved this year.

Turnover during 1985 moved ahead from £4.75m to £5.02m but, while operating margins improved by a full percentage point, higher interest charges of £637,000, against £488,000, depressed the taxable result.

Despite this, however, the final dividend is being raised to 3.34p (1.9p), making a higher total of 3.34p (2.9p). Earnings were 10.67p (11.29p) per share.

The directors say that the company in 1986 should benefit from lower interest charges and fuel prices, as well as another material advance in bottled sales which helped the 1985 results.

G. H. Scholes nears £2.5m at midway

Pre-tax profits rose from £2.22m to £2.45m in the half year to end 1985 at George H. Scholes, the Manchester-based electrical engineer and manufacturer of Wylex electrical products.

The interim dividend is increased from 6p to 8p to reduce the disparity with the final. Midway earnings per share came out at 23p against 19.7p.

Mr G. McDowell, the chairman, said that the start of the current half had been encouraging, and he looked forward to continuing at the present level of activity. First half turnover rose from £12.11m to £14.1m.

After a tax charge of £968,000 against £953,000, and the higher dividend, which will take £314,000 (£336,000) the company is left with a retained profit of £964,000 (£878,000).

McLaughlin & Harvey

Builder and civil engineer McLaughlin & Harvey has seen a reduction in pre-tax profit from £1.47m to £1.15m over 1985. Earnings are down from 21.5p to 19.4p per share but the dividend is held at 7p with an unchanged final of 5p.

At the halfway stage the directors of this USM quoted group reported that profits were ahead: from £583,000 to £704,000 and said they were "reasonably confident" for the year.

Hillsdown offshoot lifts profits 59%

Hunter, a furniture manufacturer which is part of the Hillsdown Holdings string of companies, saw taxable profits rise by 59 per cent in 1985, and as promised last October it is to resume dividends with a payment of 2.5p.

Mr Harry Solomon, chairman, says that the year has been one of significant improvement, and that the profit rise - up from £660,000 to £1,050,000 - is principally due to an excellent result from the Hunter Plywood group and a useful first time contribution from the newly-formed property division.

Problems at Berger show through in Hoechst downturn

BY TONY JACKSON

Hoechst UK, the British subsidiary of the West German chemical giant Hoechst AG, suffered a 4 per cent drop in pre-tax profits last year to £10.1m. The chief culprit was the Berger paint subsidiary, which was hit by strikes and competitive conditions in Australia.

Group sales rose 3 per cent to £58.2m. At the trading level, profits from chemicals (including pharmaceuticals) were up 20 per cent at £9.7m. This partly reflected the inclusion of the Cox pharmaceutical acquisition, which contributed about half of drug sales of £30m.

Cox makes generic (unbranded) drugs, and Hoechst said the purchase had underlined its loss of confidence in UK branded medicines as a result of the Government's introduction of a limited list of prescribable drugs.

Paint division profits fell by 10 per cent to £8.5m on sales of £302m. UK profits were unchanged, with the reorganisation of Berger Industrial Coatings costing more than expected, and there was a sharp fall in the Australian business.

The Kalle Infotec office equipment division raised trading profits from £100,000 to £1m on sales of £33.9m. The division has been undergoing lengthy restructuring.

The interest charge rose sharply from £2.7m to £12.4m, the result of higher rates and a £1.3m increase in borrowings over the year. Capital spending particularly on acquisitions, had been higher than expected at £15.4m. The budgeted figure for this year is £13.5m.

Mr Dominik von Winterfeldt, head of Hoechst UK, said he was cautiously optimistic about 1986. Sales and profits should continue at around the same level.

Logica profits rise to £1.68m in first half

INTERIM figures of Logica, computer software and hardware producer, for the six months to December 31 1985, show improved taxable profits of £1.68m compared with £1.15m. Turnover climbed from £26.8m to £34.08m. Comparatives have been re-stated.

One of the financial consequences of the company's withdrawal from office automation has been a deficit on distributable reserves. Therefore, no interim dividend will be paid against 0.85p last time.

An extraordinary meeting has been called for April 11, seeking approval for a reduction of capital by cancellation of part of the share premium account. Such reduction of capital will remove the deficiency on distributable reserves and enable Logica to declare dividends in respect of future profits.

Logica had a positive operating cash flow in the first half and, this, together with the £15.1m raised from the refinancing, resulted in the company having no net borrowings, and having net tangible assets attributable to shareholders of some £16m.

Pre-tax profits were after considerably higher interest charges of £781,000 compared with £373,000, and this represents interest on borrowings which have now been fully repaid from the proceeds of the re-financing. It has been decided to take the opportunity to make a general provision of £1m in respect of possible future contingencies, and has been charged as an extraordinary item.

The total extraordinary debit, including discontinued operations, amounts to £193m against a credit last time of £563,000.

comment

As Logica's management is well aware it must not only perform but must be seen to be performing in the next year or so. These interims are an encouraging start and the share rose 8p to 100p yesterday. But for market confidence to be restored Logica must stage a complete recovery by the end of the current financial year, which demands a return to profit in the US and rules out any more messy mistakes with fixed fee contracts. Logica's ability to win new business is unquestioned and it is well poised to make the most of growth in both the financial and defence sectors. The City expects profits of £6m this year and a p/e of 29. The trustees of 1985 had labelled Logica as an accident prone company and the market has little faith in the ability of the present management to overcome that. A bid would be the sensible solution. But EDS's withdrawal, and the political pressures, posed by the lucrative Ministry of Defence and British Telecom contracts, will deter overseas predators, while British hidden, like the market, would haul at such a high rating.

Mackay looks to improve

ALTHOUGH profits in 1985 fell from £559,000 to £321,000, the directors of carpet maker High Mackay say the year ended with high activity. The order intake was greater giving the prospect of a good start to the current year.

Earnings for 1985 were down from 8.31p to 7.78p but the dividend is held at 4.6p net with a final of 3.2p.

Turnover in the year came to £15.2m (£14.99m). Exports fell from 55 per cent to 26 per cent of the total partly because of greatly higher sales of tufted carpets (which are predominantly sold in the UK) and a temporary setback in sales by the West German subsidiary at the start of the year.

Greatest growth area was the UK where volumes were 7 per cent up in woven carpets and 88 per cent in tufted, reflecting the general expansion of the leisure industries. Non-woven products have expanded into the office sector.

Pre-tax profit came to £374,000 (£369,000) most of which was earned in the second half. This stemmed from greater woven volumes some 15 per cent higher in the second half at slightly improved margins.

After tax £137,000 (£246,000) and minority loss £2,000 (profit £2,000) the net profit works through at £336,000 (£411,000).

The directors say "we begin 1986 confident that we can continue the progress made during recent years."

This advertisement is issued in compliance with requirements of the Council of The Stock Exchange

**CITY OF ABERDEEN**

Placing of  
**£7,000,000**  
**CITY OF ABERDEEN 10.80 per cent Redeemable Stock 2011**

(Authorised by the Council of the City of Aberdeen District Council and issued in accordance with the provisions of the Local Government (Scotland) Acts 1973 and 1975 and the Local Authority Stocks and Bonds (Scotland) Regulations 1975)

Issue Price £100 per cent

Application has been made to the Council of The Stock Exchange for the above Stock to be admitted to the Official List.

In accordance with the requirements of the Council of The Stock Exchange £700,000 nominal of the Stock will be available to the public in the Market on the date of publication of this advertisement.

Particulars of the Stock are available in the Extel Statistical Services and copies of the particulars may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted) up to and including 3rd April 1986 from:-

**James Capel & Co.**  
 James Capel House  
 PO Box No 551  
 6 Bevis Marks  
 London EC3A 7JQ

**Barclays Merchant Bank Limited**  
 PO Box No 188  
 Ebbwate House  
 2 Swan Lane  
 London EC4R 3TS

**Marshall Saturn (Brokers) Limited**  
 Lloyds Chambers  
 1 Portsoken Street  
 London E1 8DF  
 (advisers to City of Aberdeen District Council)

Copies are also available from the Company Announcements Office, The Stock Exchange, London EC2P 2BT up to and including 24th March 1986.

20th March 1986

**COMPANY NEWS IN BRIEF**

**J. HEWITT & SON (Fenton),** the manufacturer of industrial and domestic refractories, increased taxable profits in 1985 from £541,000 to £632,000 on turnover up from £8.3m to £7.72m. Earnings per share rose to 11.4p (8p) and the final dividend has been lifted to 2.3p for a higher 2.7p (2.4p) total. The company expects a further profit improvement this year.

**CITY OF ABERDEEN Land Association** has placed £7m of 10.8 per cent redeemable stock 2011 with institutions at £100 per cent. The issue is in accordance with a drop-lock loan agreement which City of Aberdeen entered into in November 1981.

**JOVE Investment Trust** achieved net revenue of £760,000, against £734,000, for the year to end-February 1986.

Net asset value per income share at the year-end was 51.38p (51.38p), and per capital share was 38.03p (27.7p). The second interim dividend is 2.85p (2.69p), making a total 5.35p (5.6p).

**JAMESONS CHOCOLATES,** the London-based confectionery manufacturer, reports more than doubled taxable profits of £320,000, against £132,000, in 1985 on virtually unchanged turnover of £8.8m (£8.81m). The final dividend is held at 3p for an unchanged 5p total.

**GESTETNER HOLDINGS'** directors were told at the annual meeting that the company did not expect interim profits to reach those achieved in the corresponding period for 1985, although this was in line with budgets.

**SIRDAR Interim Report**

- \* Pre-tax profit up 24%.
- \* Increased sales being maintained in second half.
- \* Results for full year expected to show significant improvement over last year.
- \* Interim Dividend increased to 1.65p (1.32p).

Half-year results (Unaudited)	26 weeks to 28 weeks to 28 weeks to year end	10th January 1986	11th January 1985	30th June 1985
Turnover	21,396	18,520	36,495	
Profit before taxation	5,969	4,825	9,533	
Taxation	2,250	1,800	3,504	
Profit for the period	3,719	3,025	6,029	
Earnings per share (pre-tax)	12.46p	10.07p	19.89p	
Earnings per share (post-tax)	7.76p	6.31p	12.57p	
Dividends per share (net)	1.65p	1.32p	4.12p	

**Sirdar PLC**  
 Flanshaw Lane, Alverthorpe, Wakefield WF2 9ND.

**UNOCAL** U.S.\$200,000,000

U.S. Oil Company of California

Guaranteed Floating Rate Notes due 1996

Guaranteed by Unocal Corporation

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the first six months of the interest period ending on 19th September 1986 has been fixed at 7 1/4% per annum. The interest accruing for such six month period will be US\$405.69 per US\$100,000 bearer Note, and US\$405.69 per US\$100,000 bearer Note on 19th September 1986 against presentation of Coupon No 1.

For holders of fully registered Notes the Rate of Interest for the first six months of the period ending on 19th September 1986 has been fixed at 7 1/4% per annum. The interest accruing for such six month period will be US\$405.68 per US\$100,000 fully registered Notes, and integral multiples thereof, payable 19th September 1986.

Union Bank of Switzerland  
 London Branch  
 Agent Bank  
 20th March 1986

**ALIDAX HOLDINGS plc**

**1985 - Record Profits**

- \* Pre-tax profits advance by 77%.
- \* Dividend recommendation 50% higher than 1984 comparable.
- \* One for four Rights Issue.
- \* Scrip Issue proposal.

"The Board view the current year with confidence, particularly as more of the new plant will come on stream. Taking all matters into consideration, we expect 1986 will be another year of progress for the group."

R. Stone, Chairman

Results in brief	Year ended 31 December	1985	1984
Turnover	£000	£28,795	£25,451
Profit before tax	£000	£2,215	£1,249
Dividend per share		9.75p	6.5p (nominal)
Earnings per share		27.0p	16.8p

Copies of the Report and Accounts will be available from The Secretary, Heaton Gate, Heaton, Doncaster, Yorkshire DN7 7TG

**JOINT COMPANY ANNOUNCEMENT**

**FREE STATE CONSOLIDATED GOLD MINES LIMITED**  
 ("Freegold")  
 (Registration No. 05/28210/06)

**ORANGE FREE STATE INVESTMENTS LIMITED**  
 ("Orfil")  
 (Registration No. 85/05715/06)

**WELKOM GOLD HOLDINGS LIMITED**  
 ("Welkom")  
 (Registration No. 05/24464/06)  
 (All of which are incorporated in the Republic of South Africa)

**ISSUED SHARE CAPITALS AND INTER-COMPANY SHAREHOLDINGS**

Following the allotments of shares arising from the Schemes of Arrangement in terms of which Freegold acquired the entire issued share capitals of Free State Gold Mines Limited, President Brand Gold Mining Company Limited and Western Holdings Limited, the issued share capitals of the companies are now as follows:

**FREEGOLD**  
 116 179 121 shares of 50 cents each

**OFIL**  
 22 514 094 shares of 1 cent each

**WELKOM**  
 35 350 937 shares of 50 cents each

Ofsil is the holder of 58 761 785 (50.58 per cent) Freegold shares and Welkom is the holder of 6 838 000 (30.37 per cent) Ofsil shares and 6 141 966 (5.29 per cent) Freegold shares.

Johannesburg  
 March 20 1986

**1985/6 TAX RELIEF**

**Sir Speedy**  
 Financing Centres Plc

OFFER FOR SUBSCRIPTION UNDER THE BUSINESS EXPANSION SCHEME

Up to £100,000 of new shares of £1.00 each (100,000 shares) in Sir Speedy Printing Centres Plc - The Company has been established to provide the service of desktop publishing and business communications to a variety of customers through a network of independently owned, company owned sales centres. Sir Speedy Printing Centres is located in London with a further 27 locations scheduled to open in 1986.

THE MERITS OF THIS INVESTMENT

- \* 85% tax relief for the year ending 30th April 1986
- \* Domestic business in high growth sector creating new jobs
- \* Popen income in the USA - over 500 quick print centres
- \* £2 million of U.S. registered - in the U.S.A. the company has over 4000 franchises with an average Centre turnover of over £50,000 per annum
- \* Potential for high dividend yields
- \* £2 million of U.S. registered - in the U.S.A. the company has over 4000 franchises with an average Centre turnover of over £50,000 per annum

Subscription Minimum application £500. The subscription list opens on 20th February 1986. This advertisement does not constitute an offer or invitation to subscribe for shares. Further information and full details of the offer will be contained in the prospectus, which is obtainable free.

**MONTAGU SECURITIES PLC**  
 Licensed Dealer in Securities and members of the Institute of Securities and the Financial Services Authority.  
 Telephone: 01-283 7671

NAME: \_\_\_\_\_  
 ADDRESS: \_\_\_\_\_  
 POST CODE: \_\_\_\_\_ TEL. NO: \_\_\_\_\_

**BASE LENDING RATES**

ABN Bank	11 1/2%	Grindlays Bank	11 1/2%
Allied Dunbar & Co.	12 1/2%	Guinness Mahor	12 1/2%
Allied Irish Bank	12 1/2%	Hambros Bank	12 1/2%
American Express Bk.	12 1/2%	Heritable & Gen. Trust	12 1/2%
Auro Bank	11 1/2%	Hill Samuel	12 1/2%
Bank of America	12 1/2%	Imperial Bank	12 1/2%
Bank of Australia	12 1/2%	J.P. Morgan & Co.	12 1/2%
Bank of Belgium	12 1/2%	Kingsley & Co. Ltd.	13 1/2%
Bank of Brazil	12 1/2%	Lloyds Bank	11 1/2%
Bank of Canada	12 1/2%	Edward Mannion & Co.	12 1/2%
Bank of China	12 1/2%	Meghraj & Sons Ltd.	11 1/2%
Bank of Ceylon	12 1/2%	Midland Bank	11 1/2%
Bank of India	12 1/2%	Morgan Grenfell	11 1/2%
Bank of Japan	12 1/2%	Mount Credit Corp Ltd.	11 1/2%
Bank of Korea	12 1/2%	National Bk. of Kuwait	11 1/2%
Bank of London	12 1/2%	National Girobank	12 1/2%
Bank of Mexico	12 1/2%	National Westminster	11 1/2%
Bank of New Zealand	12 1/2%	Northern Bank Ltd.	12 1/2%
Bank of Oman	12 1/2%	Parsons Trust	11 1/2%
Bank of Persia	12 1/2%	Peoples Trust	13 1/2%
Bank of Portugal	12 1/2%	P.F. Finance Int'l. (UK)	13 1/2%
Bank of Rome	12 1/2%	Provincial Trust Ltd.	13 1/2%
Bank of San Francisco	12 1/2%	R. Raphael & Sons	13 1/2%
Bank of Spain	12 1/2%	Roxburgh Guarantee	13 1/2%
Bank of Sweden	12 1/2%	Royal Bank of Scotland	11 1/2%
Bank of Switzerland	12 1/2%	Royal Trust Co. Canada	12 1/2%
Bank of the Middle East	12 1/2%	Standard Chartered	11 1/2%
Bank of the Pacific	12 1/2%	TCB	11 1/2%
Bank of the South Pacific	12 1/2%	Trustee Savings Bank	11 1/2%
Bank of the West	12 1/2%	United Bank of Kuwait	11 1/2%
Bank of Tokyo	12 1/2%	United Mizrahi Bank	11 1/2%
Bank of Victoria	12 1/2%	Westpac Banking Corp.	12 1/2%
Bank of Yugoslavia	12 1/2%	Whiteaway Ltd	13 1/2%
Bank of Zaire	12 1/2%	Yorkshire Bank	11 1/2%
Bank of Zimbabwe	12 1/2%	Members of the Accepting Houses Committee:	
Bank of the Caribbean	12 1/2%	• 90% deposits 4.25%, 1-month	
Bank of the Commonwealth	12 1/2%	• 90% deposits 4.25%, 3-month	
Bank of the East	12 1/2%	• 90% deposits 4.25%, 6-month	
Bank of the Middle East	12 1/2%	• 90% deposits 4.25%, 12-month	
Bank of the Pacific	12 1/2%	• 90% deposits 4.25%, 18-month	
Bank of the South Pacific	12 1/2%	• 90% deposits 4.25%, 24-month	
Bank of the West	12 1/2%	• 90% deposits 4.25%, 30-month	
Bank of the East	12 1/2%	• 90% deposits 4.25%, 36-month	
Bank of the Middle East	12 1/2%	• 90% deposits 4.25%, 42-month	
Bank of the Pacific	12 1/2%	• 90% deposits 4.25%, 48-month	
Bank of the South Pacific	12 1/2%	• 90% deposits 4.25%, 54-month	
Bank of the West	12 1/2%	• 90% deposits 4.25%, 60-month	
Bank of the East	12 1/2%	• 90% deposits 4.25%, 66-month	
Bank of the Middle East	12 1/2%	• 90% deposits 4.25%, 72-month	
Bank of the Pacific	12 1/2%	• 90% deposits 4.25%, 78-month	
Bank of the South Pacific	12 1/2%	• 90% deposits 4.25%, 84-month	
Bank of the West	12 1/2%	• 90% deposits 4.25%, 90-month	
Bank of the East	12 1/2%	• 90% deposits 4.25%, 96-month	
Bank of the Middle East	12 1/2%	• 90% deposits 4.25%, 102-month	
Bank of the Pacific	12 1/2%	• 90% deposits 4.25%, 108-month	
Bank of the South Pacific	12 1/2%	• 90% deposits 4.25%, 114-month	
Bank of the West	12 1/2%	• 90% deposits 4.25%, 120-month	

BUSINESS LAW

Two basic rules for the Big Bang

By A. H. HERMANN, Legal Correspondent

SO MANY of my colleagues who are highly expert in financial matters have been writing about the Financial Services Bill for so long that I thought that I was safe in concentrating on legislation which really matters, for example, the laws which they make in Washington and then apply across the Atlantic, or to British firms who take their suits to New York.

However, it was ordained that I should not be left out of the song and dance preparing for the Big Bang. Still hopeful, I went round the office looking for annotated copies of the Bill which would save me from making. All I found was a library copy in pristine condition, its 174 pages craving for human sympathy and attention.

I read it all before leaving the office but it did not help much. I took it home and read it again. To no avail. Next morning I woke up with a high fever. The doctor was called and strictly prohibited the reading of any legislative material.

When I recovered, I still could not say what was in the Financial Services Bill. In desperation, I keyed it into my desk computer and asked what the main ideas were. The computer took inordinately long to answer and then said: "Never mind the idea, implementation is unlikely before mid-1987, probably much later."

But Big Bang is scheduled for October 27 1986. I pointed out: "You will just have to make do with common law, the Prevention of Fraud Investment Act 1958 and the Licensed Dealers' Rules."

I asked what was likely to happen in 1987 when the Secretary of State, the Securities Investment Board and all the self-regulating organisations should have brought out their various rules. "CAN'T SAY" appeared in glaring green letters on the screen.

"Don't be silly," I said to my computer, "there are 166 clauses and 13 schedules. Do your work properly and tell me what will happen."

"NOTHING," in big green letters. "Explain," I ordered, losing patience. "There are too many ifs and buts" chirped the computer, evidently trying to appease me. "Only one thing is certain. The breach of the as-yet-unknown rules will entitle those concerned to mount a civil suit under section 57. All documents will be capable of discovery. Litigation will proliferate to figures beyond my capacity. Authorised persons threatened

with suspension, injunctions and restriction orders will fight back in court, making complaints against the self-regulatory organisation, the SIB, the Secretary of State and his inspectors. They will be hung convincing the IPP that no evidence is available."

There was a silence, and then my computer added: "Can't say how anyone will have time left for the investment business."

At this point, concluding that I would not get any sense out of the machine and frustrating the doctor's orders, I decided to make another attempt to digest the Financial Services Bill by human means. I am sorry to confess that I did not get much further than my computer and can offer no more than these meagre gleanings about the Bill.

There will be two broad categories of persons to whom the legislation should be of concern. One consists of those engaged in, or attempting, investment business. The other are the investors. The first difficulty is that these are only imaginary categories. Some investors will themselves be engaged in the investment business. In relation to the dealers, brokers and advisers (the investors can be classified either as customers or as clients. They are customers when they only buy or sell, but clients when they receive advice.

Those engaged in the investment business will fall into three broad categories. Those who are exempt from the impact of the legislation, like the Bank of England, the Stock Exchange and Lloyd's of London will apparently be able to do whatever they want. Those who are authorised persons will be subject to rules made by the Secretary of State, except that these rules will not apply to them if they are members of a recognised self-regulating organisation. Finally, there is a third category, those who attempt doing investment business without being authorised; they will find that their deals cannot be enforced.

The crucial prohibition of the Bill is contained in Section 44 which says that any person who makes a misleading statement or dishonestly conceals any material facts is guilty of an offence for which he can be sent to prison for up to seven years. This sounds pretty tough, but the reality is different. First, it does not apply to statements made outside the UK, or made in the UK but affecting persons who are out-

side the UK, or affecting agreements entered into or exercised outside the UK. One can see the process of Zairean office accommodation rock and roll.

Second, if anyone is so careless as to mislead UK investors from a UK office and commits an offence against section 44, the matter will have to be referred to the Director of Public Prosecutions, who will give the culprit complete protection from publicity and plenty of time in time refuge for himself and his money in one of the many warm islands specialising in such hospitality.

The Bill would, of course, give the Secretary of State many other theoretical possibilities of how to more against those who do not play the game, for example, by withdrawing or threatening to withdraw or limiting their authorisation.

Given the existence of the one big family linking politicians with City institutions, as demonstrated by the use of insurance frauds and the exemption of Lloyd's of London from the impact of the proposed legislation, one would have to be boldly optimistic to expect that the political powers will be used effectively.

There is, of course, also the remedy of common law private action for those who have been swindled and who should be able to recover their fraudulently obtained gains as though they had acted as agents but preferred their own interests.

Those who need the protection of the law most will have money to pick and choose their litigation, and some of those who have the money will use litigation just to annoy their competitors, or to bring them into disrepute. And what about the duty of an agent representing two principals whose interests clash? The Bill does not provide an answer.

Finally, there is the underlying idea that conflicts of interests—between the agent and his principal, and between several clients of one agent—can be completely prevented by the creation of Chinese walls separating the dealing, advising and investment organising departments in a multi-purpose financial institution. My computer tells me that as many as 50 Chinese walls might be necessary within a conglomerate to provide for all possible situations. As it may be difficult to erect so many, it suggested that partners might sit in spacesuits and lunch apart.

There is indeed very little to recommend in the Bill. The

City stands and falls on the confidence it enjoys. The Bill will do nothing to strengthen that confidence and a lot to frighten dealers away from London.

There is no perfect solution, but it could be done better. First, whatever legislation is made, it should be simple and understandable to non-lawyers and even to those coming from other jurisdictions and used to more direct legal thinking. It could rest on two basic rules, one saying that anyone who misleads another person, or lets him fall into error for his own or other people's gain, commits a fraud—and forget about the honesty on which you need a jury in pronouncement. The second rule should be that no one can sue two masters.

From these two rules everything else can be derived according to the circumstances of the particular case. The forms which dealers and brokers use with customers and clients should clearly state how they deal and what profit or other interest they have in the transaction.

A simple enforcement should be simple, cheap and predictable. There should be no reliance on remedial actions depending on political decisions of ministers and no references to the Director of Public Prosecutions. Private actions should be only a last resort and so circumscribed as to prevent abuse.

The main burden of enforcement should be concentrated in the hands of a Securities Investment Board with statutory power to impose restrictions on dealers and severe fines capable of putting culprits out of business. There should be the right of appeal to courts in the same way as there is judicial review for other administrative decisions. It would rarely have to come to that. The possibility of sending a mob of investigators on a dawn raid, the ignominy of a well publicised investigation, the risk of initiating class actions on behalf of the small investors harmed by illicit operations, such threats would probably be enough to put the fear of law into City dealers in the same way as raised eyebrows used to do in the good old days.

And one more thing. It could have a most salutary effect if the threat of libel law was lifted from the financial press and if it had at least the same freedom of reporting as the Wall Street Journal has in the US.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts and their performance metrics, including Abbey Unit Trust, Abbey Fund Managers, and various international and domestic funds.

The Princess Alice Hospice advertisement, featuring an image of the hospice building and contact information for donations.

F.T. CROSSWORD PUZZLE No. 5977 grid and clues. Clues include: 1. Goes down sinks (6), 2. Skilful Dora dealt with it (6), 3. The driver of an American car (8), etc.

Solution to Puzzle No. 5976. Down: 1. For a boring job picked up sticks for fuel (6), 2. Staggering "Sam" article on that's dangerous (6), etc.

Company Notices

KLEINWORT BENSON (JAPAN) FUND S.A. Notice of Meeting. Shareholders are invited to attend a General Meeting which will be held at the offices of Knechtelbank, S.A., Luxembourg, on April 9th, 1986 at 4.00 p.m.

GENERAL MOTORS CORPORATION

Further to the DIVIDEND DECLARATION of 19th February, 1986. NOTICE is now given that the following distribution will become payable on and after 17th March, 1986, against presentation to the Depository (as below) of Claim Forms listing Presenter Depository Receipts.

Continued overleaf

AUTHORISED UNIT TRUSTS & INSURANCES

Main table listing various financial products, including unit trusts and insurance policies, with columns for company names, product names, and numerical values.

Table listing various financial products under the heading 'Oppenheimer Fund Mgmt Ltd', including '64 Crown St. London EC4A 3DF' and 'Oppenheimer Growth'.

Table listing various financial products under the heading 'Stewart Fry Unit Trust Mgmt Ltd', including '49 Charlotte St. Colchester' and 'Stewart Fry Growth'.

Table listing various financial products under the heading 'Allied Dunbar Assurance Plc', including 'Allied Dunbar Assurance Plc' and 'Allied Dunbar Assurance Plc'.

Table listing various financial products under the heading 'Continental Life Insurance Plc', including 'Continental Life Insurance Plc' and 'Continental Life Insurance Plc'.

Table listing various financial products under the heading 'General Portfolio Life Ins. Plc', including 'General Portfolio Life Ins. Plc' and 'General Portfolio Life Ins. Plc'.

Table listing various financial products under the heading 'Kingswood House, Kingswood, Taunton', including 'Kingswood House, Kingswood, Taunton' and 'Kingswood House, Kingswood, Taunton'.

Table listing various financial products under the heading 'Property Growth Ass Co Ltd', including 'Property Growth Ass Co Ltd' and 'Property Growth Ass Co Ltd'.

Table listing various financial products under the heading 'Scottish Equitable Fund Mgmt. Ltd', including 'Scottish Equitable Fund Mgmt. Ltd' and 'Scottish Equitable Fund Mgmt. Ltd'.

Table listing various financial products under the heading 'INSURANCES', including 'AA Friendly Society' and 'Abney Life Assurance Co Ltd'.

Table listing various financial products under the heading 'Scottish Life Investments', including 'Scottish Life Investments' and 'Scottish Life Investments'.

Table listing various financial products under the heading 'Scottish Mutual Investments', including 'Scottish Mutual Investments' and 'Scottish Mutual Investments'.

Table listing various financial products under the heading 'Scottish Provident Ins. Mgt. Ltd', including 'Scottish Provident Ins. Mgt. Ltd' and 'Scottish Provident Ins. Mgt. Ltd'.

Table listing various financial products under the heading 'Scottish Widows Fund Mgmt. Ltd', including 'Scottish Widows Fund Mgmt. Ltd' and 'Scottish Widows Fund Mgmt. Ltd'.

Table listing various financial products under the heading 'Scottish Life Assurance Co Ltd', including 'Scottish Life Assurance Co Ltd' and 'Scottish Life Assurance Co Ltd'.

INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds including Scottish Life Assurance, Sun Life Unit Assurance, and various international investment funds.

Main table of insurance, overseas, and money funds, listing various fund names, their managers, and performance metrics.

Table of money market trust funds and bank accounts, including sections for Money Market Trust Funds and Money Market Bank Accounts.

OFFSHORE AND OVERSEAS

Table of offshore and overseas funds, listing various international investment options.

TRADITIONAL OPTIONS

Table of traditional options, including 3-month call rates and other financial instruments.

Handwritten signature or stamp at the bottom of the page.

COMMODITIES AND AGRICULTURE

US ready to expand agricultural options

By Andrew Gowers in Chicago
US MARKET regulators are set to approve a significant expansion in the number of agricultural options contracts allowed to be traded on commodity exchanges.

Attractive hedge

Exchange officials also believe a wider range of agricultural options would be an attractive hedging vehicle for farmers.

Trading in options on domestically produced farm products was banned by the US Congress in 1936 following vociferous complaints from farmers about trading in options on foreign futures contracts.

However, a gradual change of heart has been apparent over the last few years, as restrictions on non-agricultural options have been progressively eased.

The pilot programme has been a modest success. According to Mr John Gilmore, CBO chairman, more than 840,000 soybean options and 353,000 maize options were traded on the Board of Trade last year.

Cautious start

"While it is understandable that the exchanges and some users may want the number of these option products expanded, Congress clearly directed the Commission to proceed cautiously with both the agricultural and non-agricultural option programmes," said Mr Gilmore.

European Parliament may stall farm price fixing

BY IVO DAWNAY IN BRUSSELS

THE EUROPEAN Parliament's fiercely conservative agriculture committee yesterday threw out the austerity price package for 1986-87 proposed by the European Commission.

But the move could backfire on the MEPs if it is rejected by the full Parliament in the debate on the Commission's Ecu 21m budget next month.

Rejection of the Commission's scheme, which involves a broad freeze on prices and a 3 per cent producer tax on cereal farmers, came after the MEPs tabled 300 amendments to a report drawn up by Mr James Provan, a British Conservative MEP.

The original report accepted a large part of the Commission's arguments. But after the amendments were taken, the final resolution demanding wide-ranging changes in key sectors, most of which would require substantially increased expenditure.

According to Mr Provan, who took the unusual step of abstaining in the final vote, the committee's demands could add a further Ecu 1bn to a farm budget already expected to fall short of requirements by some Ecu 2.5bn.

However, changes in the political complexion of the European Parliament, in part through the arrival of Spanish and Portuguese MEPs, could lead to the report's rejection.

Mr Provan said last night that, should this also happen to the price proposals, the Parliament would have to enter a conciliation procedure with the Council and Commission aimed at dovetailing strict budgetary restraints on farm spending with the Parliament's demands.

Such a development would inevitably delay the price fixing process leaving the Community's 12m farmers with no clear picture of likely market conditions. Even without the Parliament's objections, farm ministers appear widely divided over strategy for the new marketing year.

West Germany, at one extreme, seeking widespread improvements for farmers and the UK at the other, calling for firm price restraints.

There is no hope that the negotiations can be completed before April 1 when the new prices should come into force. In the absence of an agreement, Mr Cerrit Braks, the Dutch minister chairing the talks, will be forced to roll-over current provisions on a month-by-month basis.

The position is complicated still further by the requirement of finance ministers that they must first approve any spending above the Ecu 21bn budgetary ceiling.

The MEPs farm committee rejected many key aspects of the Commission's price plan including the principle of a general price freeze. It also called for a small rise in cereal prices and a substantial increase in the tonnages of cereals allowed to individual farmers.

It also rejected the tax on milk output, changes in intervention prices for dairy products and added for a call for less stringent controls on pig production. Above all, the committee demanded format measures to enhance cash grants available to smaller farmers.

At their meeting next week, the ministers will make their first serious attempt to bridge a philosophical gap that has record 104m kilos compared with only 74.5m in 1984.

On the other hand exports to the UK fell by nearly 8m kilos to 30.8m; to West Germany by nearly 2m to 3.5m; to Iran by more than 4m to 19m; and to Iraq by 4m to 8.8m.

At a little over 2m kilos sales to the US market were down 1m kilos. Mr Atal is of the view that India could have exported at least 2m kilos more had the official party not interfered with the export effort so blatantly.

Bolivia's own tin crisis

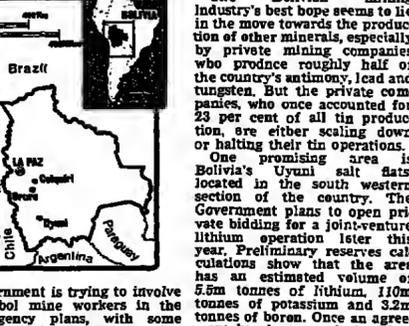
BY MARY HELEN SPOONER

LAST YEAR may have been the worst ever for the Bolivian mining industry, capping a downward spiral which began in the late 1970s, when Bolivia began sliding in the world tin production league from number three to the uneasy fifth position it holds today.

Official production figures for last year have yet to be announced, but are thought to be below even the 1984 level. Prior to the tin crisis, President Victor Paz Estenssoro's Government had drawn up a plan to decentralise Comibol, whose annual losses have been running at \$300m a year and which has not issued an annual report since 1977.

The plan involved dividing the corporation into four holding companies covering mining operations in northern, southern, eastern and western Bolivia plus an administrative office in La Paz.

Comibol's 21 mining divisions, only one, the Huancuni mine complex near Oruro, where annual fine tin production beavers between 3,000 and 3,500 tonnes, contains a thick, easily located mineral vein which accounts for 70 per cent of all Bolivian minerals production.



Comibol is trying to involve Comibol mine workers in the emergency plans, with success. He estimates that strikes and work stoppages cost \$90m last year.

Comibol's second largest mine, the Catavi-Siglo Veinte complex south east of La Paz, is facing almost certain closure.

LONDON MARKETS

STERLING's firmness was the chief factor on the London commodities scene yesterday. Together with a weak tone in New York it was mainly responsible for coffee's \$44 decline in the May position to \$2,445.50 a tonne.

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INDICES FINANCIAL TIMES

Table with columns for Date, Index Value, and Change. Includes Sterling, Dow Jones, and other market indices.

MAIN PRICE CHANGES

Table showing price changes for various commodities like Wheat, Barley, and Beans.

NEW YORK

Table showing New York market prices for commodities like Aluminum, Copper, and Zinc.

CHICAGO

Table showing Chicago market prices for commodities like Live Cattle, Hogs, and Poultry.

COPPER

Table showing copper market prices for different grades and regions.

LEAD

Table showing lead market prices for different grades.

NICKEL

Table showing nickel market prices for different grades.

ZINC

Table showing zinc market prices for different grades.

GOLD

Table showing gold market prices for different grades.

US MARKETS

PRECIOUS METALS were generally steady awaiting the outcome of the Opec meeting. Reports and aluminum framed on speculative buying linked to low stock levels.

Coffee remained steady on light roaster interest but fresh news was generally lacking. Cotton weakened on speculation of long liquidation linked to the larger than expected estimate of US plantings.

The energy complex lost ground on commission house selling. The grain complex traded mixed with maize under pressure on the higher than expected US prospective wheat report.

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Table with columns for Commodity, Price, and Change. Includes Silver, Gold, and various metals.

Table with columns for Commodity, Price, and Change. Includes Live Cattle, Hogs, and Poultry.

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Table with columns for Commodity, Price, and Change. Includes Live Cattle, Hogs, and Poultry.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and sterling improve

The dollar and sterling showed no adverse reaction to a disappointing figure on US fourth quarter gross national product and the cut of 1 percentage point in UK clearing bank base rates. Both currencies were very firm, of attention focused on central bank policy towards the dollar, and news that delegates at the Geneva meeting of the Organisation of Petroleum Exporting Countries were studying options for cutting oil production.

£ IN NEW YORK

Table showing exchange rates for £ in New York, including columns for Close, Mar 19, and Prev. close.

FINANCIAL FUTURES

Sterling prices up

The dollar in Frankfurt, but trading was quiet, with dealers reluctant to take out new positions, in the absence of market affecting news. The release of revised US GNP data had little impact, with dealers turning their attention to political factors, and the belief that the Reagan Administration in Washington wishes to see a further depreciation of the dollar.

near panic buying during the afternoon and the price rose to flush at 89.78.

The June contract opened at 89.33 up from 88.29 and progressed to a morning of 89.44 on steady buying. While not reacting to the base rate cut, sentiment remained bullish after yesterday's well received UK budget and sterling's better performance. Mr Lawson's comments about interest rates prompted

POUND SPOT - FORWARD AGAINST POUND

Table showing POUND SPOT - FORWARD AGAINST POUND with columns for Days, Close, One month, and Three months.

CURRENCY MOVEMENTS

Table showing CURRENCY MOVEMENTS with columns for Bank of England, Morgan Guaranty, and Special Drawing Rights.

CHICAGO

Table showing CHICAGO market data including US Treasury Bills and Sterling prices.

LONDON

Table showing LONDON market data including 30-year 12% notional gilt and US Treasury Bonds.

DOLLAR SPOT - FORWARD AGAINST DOLLAR

Table showing DOLLAR SPOT - FORWARD AGAINST DOLLAR with columns for Days, Close, One month, and Three months.

CURRENCY RATES

Table showing CURRENCY RATES for various countries including Argentina, Brazil, and Hong Kong.

OTHER CURRENCIES

Table showing OTHER CURRENCIES including Sterling Index and ECU European Currency Unit Rates.

EXCHANGE CROSS RATES

Table showing EXCHANGE CROSS RATES for various currencies like DM, Yen, FF, Sfr, Hfl, Lira, C\$, B\$, P, and A\$.

STERLING INDEX

Table showing STERLING INDEX with columns for March 19 and Previous.

THE CME'S NEW ECU FUTURES

When your risk is all over the map, your protection should be too. The CME's new ECU futures contract covers a lot of ground.

EURO-CURRENCY INTEREST RATES

Table showing EURO-CURRENCY INTEREST RATES for various currencies and maturities.

FT LONDON INTERBANK FIXING

Table showing FT LONDON INTERBANK FIXING for various currencies and maturities.

EMIS EUROPEAN CURRENCY UNIT RATES

Table showing EMIS EUROPEAN CURRENCY UNIT RATES for various currencies.

MONEY MARKETS

UK base rates cut to 11 1/2 per cent

Clearing bank base rates were cut by one percentage point to 11 1/2 per cent yesterday, following a similar reduction in the Bank of England's discount rate. The move had been in line with market expectations and comments by Mr Nigel Lawson, Chancellor of the Exchequer, gave the market hope that a further reduction may be forthcoming.

NEW YORK RATES

Table showing NEW YORK RATES for various currencies and maturities.

LONDON MONEY RATES

Table showing LONDON MONEY RATES for various currencies and maturities.

Company Notices

De Beers Consolidated Mines Limited

De Beers Consolidated Mines Limited, Incorporated in the Republic of South Africa. Company Registration No. 11/00007/06. NOTICE TO HOLDERS OF DEFERRED SHARE WARRANTS TO BEARER.

Table showing Continental paying offices for De Beers Consolidated Mines Limited, including locations like Europe, Africa, and Asia.

Table showing CURRENCY FUTURES for various currencies and maturities.

Table showing CURRENCY FUTURES for various currencies and maturities.

De Beers

MONEY RATES

Table showing MONEY RATES for various currencies and maturities.

LONDON MONEY RATES

Table showing LONDON MONEY RATES for various currencies and maturities.

Hedge currencies lacking

Because the CME's futures contract is based on a basket of currencies, it has unique versatility. For instance, it offers the ideal hedge for many combinations of European currencies.

THE CME'S NEW ECU FUTURES

When your risk is all over the map, your protection should be too. The CME's new ECU futures contract covers a lot of ground.

ECU futures cover Europe

The ECU is a unit of account whose price reflects the value and performance of 10 European Economic Community currencies.

CONTRACT SPECIFICATIONS

Table showing CONTRACT SPECIFICATIONS for ECU futures, including trading units, quotation, and contract months.

U.S. DOLLAR/ECU EXCHANGE RATE



CHICAGO MERCANTILE EXCHANGE

CHICAGO MERCANTILE EXCHANGE, FUTURES AND OPTIONS WORLDWIDE, International Monetary Market.

BRITISH FUNDS

Table of British Funds with columns for Stock, Price, and Yield. Includes various fund names and their performance metrics.

AMERICANS - Cont.

Table of American Funds with columns for Stock, Price, and Yield. Lists various international and domestic funds.

Over Fifteen Years

Table showing performance of funds over a 15-year period, including fund names and their respective values.

Index-Linked

Table of Index-Linked funds, detailing their stock holdings and performance.

INT. BANK AND OSEAS GOVT STERLING ISSUES

Table of International Bank and Overseas Government Sterling issues, listing various financial instruments.

CORPORATION LOANS

Table of Corporation Loans, providing details on various corporate financing options.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans, detailing international lending programs.

LOANS

Table of general Loans, including various types of financial assistance and interest rates.

Public Board and Ind.

Table related to Public Board and Industrial issues, possibly listing regulatory or financial matters.

Financial

Table of Financial instruments and services, including interest rates and market indicators.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails, listing international securities and their prices.

AMERICANS - Cont.

Continuation of American Funds table, listing various fund names and their performance.

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Continuation of American Funds table, listing various fund names and their performance.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROOFS - Cont.

Table of Building, Timber, and Roofs stocks, listing various companies and their market data.

DRAPERY & STORES - Cont.

Table of Drapery and Stores stocks, listing various retail and clothing companies.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks, listing various industrial and chemical companies.

DRAPERY & STORES

Table of Drapery and Stores stocks, listing various retail and clothing companies.

BUILDING, TIMBER, ROOFS

Table of Building, Timber, and Roofs stocks, listing various companies and their market data.

ENGINEERING - Continued

Table of Engineering stocks, listing various manufacturing and engineering companies.

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Table of Engineering stocks, listing various manufacturing and engineering companies.

ENGINEERING - Continued

Table of Engineering stocks, listing various manufacturing and engineering companies.

INDUSTRIALS - Continued

Table of Industrial stocks, listing various manufacturing and service companies.

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INDUSTRIALS—Continued

Table of industrial stock prices including companies like Shell, BP, and various engineering firms.

LEISURE—Continued

Table of leisure stock prices including companies like British Airways, British Telecom, and leisure services.

PROPERTY—Continued

Table of property stock prices including real estate and construction companies.

INVESTMENT TRUSTS—Cont.

Table of investment trust stock prices including various asset management funds.

FINANCE, LAND—Cont.

Table of finance and land stock prices including banks and insurance companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices including companies like Jaguar and Airbus.

Commercial Vehicles

Table of commercial vehicle stock prices including companies like Ford and Iveco.

Companys

Table of various company stock prices.

Shipping

Table of shipping stock prices including companies like P&O and Cunard.

SHOES AND LEATHER

Table of shoes and leather stock prices including companies like Burberry and Timberland.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices including companies like News International and Newsprint.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stock prices including companies like Newsprint and WPP.

SOUTH AFRICANS

Table of South African stock prices including companies like Anglo American and De Beers.

TEXTILES

Table of textile stock prices including companies like Burberry and H&M.

TOBACCO

Table of tobacco stock prices including companies like British American Tobacco.

INSURANCE

Table of insurance stock prices including companies like Prudential and Aviva.

PROPERTY

Table of property stock prices including real estate and construction companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices including various asset management funds.

PLANTATIONS

Table of plantation stock prices including companies like United Plantations.

OVERSEAS TRADERS

Table of overseas trader stock prices including companies like Jardines and Guthrie & Lothian.

LEISURE

Table of leisure stock prices including companies like British Airways and British Telecom.

PROPERTY

Table of property stock prices including real estate and construction companies.

FINANCE, LAND, ETC.

Table of finance, land, and other stock prices including banks and insurance companies.

PLANTATIONS

Table of plantation stock prices including companies like United Plantations.

OVERSEAS TRADERS

Table of overseas trader stock prices including companies like Jardines and Guthrie & Lothian.

NOTES: A section providing detailed information and analysis for various stocks, including company news and market commentary.

REGIONAL & IRISH STOCKS: A section listing stock prices for regional and Irish companies.

RECENT ISSUES & RIGHTS PAGE 42: A section listing recent issues and rights for various companies.

RECENT ISSUES & RIGHTS PAGE 42 (International Edition Page 36): A section listing recent issues and rights for various companies.

RECENT ISSUES & RIGHTS PAGE 42 (International Edition Page 36): A section listing recent issues and rights for various companies.

LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates
\*First Declared Last Account
Dealings from Dealings Day
Mar 10 Mar 26 Mar 27 Apr 7
Apr 1 Apr 10 Apr 11 Apr 21
Apr 14 Apr 24 Apr 25 May 6

Budget euphoria raises Gilts £2 1/2
Equities also rise strongly

Domestic and overseas investors gave the Chancellor's Budget proposals a big vote of confidence yesterday. The response was quite euphoric in the gilt-edged sector where business ceased earlier on Tuesday than in the equity market which continued to trade after Mr Lawson's speech. Government bonds began with a flourish helped by the Bank of England's early signs of approving lower bank base rates. It cut money market dealing rates by a full one percentage point and the clearing banks soon announced similar reductions in lending rates to 1 1/2 per cent. Later, the two largest Building Societies fell into line by lowering mortgage rates.

Official supplies of the 22½ per cent long term stock were exhausted quickly, the Government broker selling the remainder of the £1bn issue of Conversion 8 per cent stock at a price of 264. This was higher than the last previous trade on Tuesday afternoon of 261. Unfettered from Government hand, the bond market advanced explosively. Profit-taking was encountered at various intervals and had little impact because the sale was absorbed by eager buyers. Dealers were hoping for a respite towards the official 3.30 pm close but it was not forthcoming. Further aggressive support in the after-hours business took prices higher still to leave longer-dated Gilts showing rises of 2 1/2 points on the session.

Adjusting to a new yield structure, shorter maturities recorded large gains stretching to a point in the late trade. All conventional issues prospered at the expense of the 22½ per cent stock which continued to fall from grace reflecting the renewed optimism about UK inflation.

An hour before the official opening of the equity market, investors were busy with almost every class of share. The exceptions were international issues, business in which was stifled by the 5 per cent ADR tax and fears that it could frighten off foreign investors. Life Insurances were also dull being affected by the strong possibility of a new scheme to extend share ownership.

Blue Chip issues laboured to maintain the early heady pace and drifted back from their high starts after a morning of trading up again late. This followed another bright start on Wall Street which eventually encouraged revived demand for selected stocks. The FTSE 100 share index ended 15.1 up at 1659.8.

The banking sector advanced strongly on further consideration of the Budget and yesterday's move towards cheaper credit. The clearers were again in the vanguard of the advance as they continued to reflect the belief that a special windfall profits tax had not been imposed. Stock shortages once more accentuated price improvements and NatWest ended the session a further 33 higher at a new peak of 888—the shares have now risen 18½ in eight trading sessions. Lloyds closed 23 to the good at 859, while Barclays, the first to announce a 1 point cut in its lending rate to 11 per cent yesterday, finished 10 dearer at 557.

Midland recovered from an initial easier level of 490 to close 5 better on balance at 505. Bank of Scotland, at 440 and Royal Bank of Scotland 340, jumped 30 and respectively in sympathy. Discount Houses warmed to lower interest rates and Cater Allen finished 12 to the good at 582. Union, additionally aided by the chairman's bullish remarks at the AGM, up on 27 at 730, while the share in Shaxson rose 10 at 188. Hire Purchases, also major beneficiaries of cheaper credit costs, closed higher throughout. First National Finance Corporation firms 10 to 135p and Provident Financials put on 15 at 389p. Elsewhere, merchant banks also performed well, with Schroders up at 114½ in anticipation of today's results.

Competition fears in the wake of the Government's move to encourage investment in UK equities via a Personal Equity Plan left Life Insurances lower throughout the list. Legal and General dropped 24 more to 785p and Prudential relinquished 15 at 203p. Equity and Law gave up 18 at 268. Abbey Life lost 4 at 203p, after 185p. Sun Life declined 33 to 880p, but Refuge rallied following the annual results to close unaltered at 458p, after 425p.

Welcome, a rising market recently reflecting encouraging reports about its research into the treatment of AIDS, occurred. The shares were again to the good and settled 11 lower at 222p. The drinks sector continued to celebrate the Chancellor's unexpected lenient treatment in his first start-up by easing rises were again to the fore and advanced 30 for a two-day gain of 64 to 785p. Grand Metropolitan improved 14 more to 400p, while double-figure rises were also noted for Scottish and Newcastle, 215p, and Whitbread A, 300p. Among Regionals, Vaux featured with an advance

FINANCIAL TIMES STOCK INDICES
Table with columns: Mar 18, Mar 19, Mar 20, Mar 21, Mar 22, Mar 23, Mar 24, Mar 25, Mar 26, Mar 27, Mar 28, Mar 29, Mar 30, Mar 31, Year ago

HIGHS AND LOWS
Table with columns: 1985/86, Since Completion, INCHES, Mar 18, Mar 17

conversion of UK shares into ADRs. Among other Chemicals, Benclok slumped 18 to 135p following the annual results and news of the Monopolies Commission investigation into the pest control industry where it is estimated that the group has about 30 to 35 per cent of the market. In sharp contrast, USM quoted Alpha Holdings gained 20 to 450p in reply to the good annual figures accompanied by a £18.5m rights issue and proposed scrip issue.

Stores close at best
Hopes of a consumer spending boom in the wake of the Chancellor's proposals made another buoyant showing by leading Retailers, Barton, 340p, and W. H. Smith A, 325p, advanced 25 and 18 respectively, while Harcourt, Queensway, led by a bullish circular from brokers de Zoete and Bevan, closed 13 higher at 268p. Combined English advanced 14 to 212p ahead of next Tuesday's annual results, M&P, orders attracted fresh demand ahead of the forthcoming dividend season. Gratnam improved 8 to 442p, while Freemans finished 16 higher at 422p. Superdrug, preliminary results expected to show a 15 per cent rise to 503p, while Bumbill advanced 23 to 445p.

closing 6 down on balance at 146p, while similar reactions were seen in GEC, at 189p, and Baccat, at 166p. PIPCO ended a couple of pence off at 226p, after 224p. Elsewhere, British Telecom relinquished a few pence at 219p, after 217p, but BICC found support at 249p, up 10. Duabier provided a dull feature among secondary issues, falling 16 to 183p following a profits downgrade by stockbrokers de Zoete and Bevan. Legco, meanwhile, rose 8 to 190p, after 200p, following the interim profits upsurge and encouraging statement. Burgess Products attracted revived support and closed 14 better at 220p and MK put on 10 to 358p for the same reason.

Engineers soon came back to life as buyers began to show selective interest. Among the leaders, gains of around 10 were recorded in GKN, 354p, Hawker, 501p, and Wickers, 459p. Elsewhere Glywedd was outstanding at 335p, up 11, while fresh support left Ilimoa 6 to the good at 256p. Hall Engineering, reflecting news that the company has a 5.07 per cent stake in the company, advanced 6 more to 194p. Newman-Tunks rose 5 to 140p on the profits and dividend forecast which accompanied a rejection of the McKechnie bid.

Food Retailers made useful progress on consumer spending hopes. Tesco were well to the fore, at 247p, up 14, while Dees Food Services rose 13 to 585p. ASDA-MRT firmed 4 to 122p, and Sainsbury gained 6 to 404p and Kirk Saver put on 10 to 270p. Elsewhere, S. & W. Barford hardened a penny more to 227p pending further developments in the potential bid situation. Ranks David McDougall were actively traded amid speculation surrounding Berisford's near 15 per cent stake in the company and the fact that it was 5 higher at 230p, after 222p. Tate and Lyle moved up 5 to 603p, while Fitch Lloyd gained 10 to 290p as bid rumours revived.

Continuing hopes of a U.S. takeover prompted fresh support for leading UK oil and gas companies. Forster, which gained 8 more to 204p, Ledbrooke, a neglected market recently, revived strongly and closed 11 higher at 352p.
Beecham improve
Movements in the miscellaneous industrial sector were usually confined to a few pence either way. Beecham closed 5 to the good at 360p following news of the disposal of Rheis and the company's renewed interest in the company's retailing interests, but the ADR tax eased it to 410. Elsewhere, British Aerospace touched 575p before settling 10 higher at 568p; the preliminary results were expected to show a 25 per cent increase in turnover to £1.2bn. Dupont encountered speculative demand and put on 12 to 82p, while Sella Tilley, swilling today's preliminary statement, gained 20 to 290p. Press Medicor further broke down at 407p, after adding 10 to 270p, while UKO International gained a like amount to 240p in sympathy. Granada, up to 280p at one stage, fell away to close 4 off on the news that at 250p on late news that Bank Organisation had decided

to withdraw its present offer; the latter advanced 30 to 537p. Fobel continued to make headway at 67p, up 4. Evered were outstanding at 270p, up 16, along with USM, quoted Parkfield Group which advanced 25 to 407p. Good annual results left Hunter 7 firmer at 294p, while Hepworth Ceramic ended 18 higher at 202p after the preliminary statement.

The Leisure sector displayed several bright features. First Leisure advanced 20 to 440p in a market short of stock, while Pleasurama gained 26 to 366p following the sale of its stake in Tyne Tees Television. Armstrong Equipment's interim results were well received and the shares rose 9 to 131p, after 136p, while Dewey scored a sympathetic rise of 13 at 277p. Elsewhere in Motors, Kennings gained 12 to 180p on hopes of an increased offer from Tozer and Kempsey and Millbourn while the quotation Parkfield Group which advanced 25 to 407p, following a profits downgrade by stockbrokers de Zoete and Bevan. Legco, meanwhile, rose 8 to 190p, after 200p, following the interim profits upsurge and encouraging statement. Burgess Products attracted revived support and closed 14 better at 220p and MK put on 10 to 358p for the same reason.

Paper/Printings highlighted in response to the preliminary results, while ST Ives, still benefitting from acquisition news, rose 30 for a two-day gain of 12 to 615p. Advertising agency, the UK's largest, saw Maximal Politt, finally 24 up at 309p. Davidson Pearce, which revealed pleasing full-year figures on Monday, put on 10 more to 150p. The current buoyancy of equities was mirrored in Investment Trusts which displayed useful gains across the board. Globe, the UK's largest trust, advanced 17 to 360p, while similar rises were noted for Franklin Capital, 369p, and Airtand proposed Personal Equity Plan stimulated support of M & F Group, 70 up at 550p, and Framlington, 40 better at 650p. The London Administration advanced

Shell up again
Another firm performance by crude oil prices, encouraged by reports that Opec members have provisionally agreed to production cuts, prompted renewed support for leading oil and gas companies. Forster, which gained 8 more to 204p, Ledbrooke, a neglected market recently, revived strongly and closed 11 higher at 352p.
Beecham improve
Movements in the miscellaneous industrial sector were usually confined to a few pence either way. Beecham closed 5 to the good at 360p following news of the disposal of Rheis and the company's renewed interest in the company's retailing interests, but the ADR tax eased it to 410. Elsewhere, British Aerospace touched 575p before settling 10 higher at 568p; the preliminary results were expected to show a 25 per cent increase in turnover to £1.2bn. Dupont encountered speculative demand and put on 12 to 82p, while Sella Tilley, swilling today's preliminary statement, gained 20 to 290p. Press Medicor further broke down at 407p, after adding 10 to 270p, while UKO International gained a like amount to 240p in sympathy. Granada, up to 280p at one stage, fell away to close 4 off on the news that at 250p on late news that Bank Organisation had decided

to withdraw its present offer; the latter advanced 30 to 537p. Fobel continued to make headway at 67p, up 4. Evered were outstanding at 270p, up 16, along with USM, quoted Parkfield Group which advanced 25 to 407p. Good annual results left Hunter 7 firmer at 294p, while Hepworth Ceramic ended 18 higher at 202p after the preliminary statement.

RECENT ISSUES

EQUITIES
Table with columns: Issue Price, Amount, Date, Stock, High, Low, etc.

FIXED INTEREST STOCKS

Table with columns: Issue Price, Amount, Date, Stock, High, Low, etc.

RIGHTS OFFERS

Table with columns: Issue Price, Amount, Date, Stock, High, Low, etc.

TRADITIONAL OPTIONS

Table with columns: Deal, Declara, Settlement, etc.

RISES AND FALLS YESTERDAY

Table with columns: British Funds, Foreign Bonds, etc.

NEW HIGHS AND LOWS FOR 1985/6

Table with columns: NEW HIGHS (500), NEW LOWS (16)

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Weds Mar 19 1986, etc.

FIXED INTEREST

Table with columns: PRICE INDICES, British Government, etc.

YESTERDAY'S ACTIVE STOCKS

Table with columns: Stock, Closing, Oey's, etc.

TUESDAY'S ACTIVE STOCKS

Table with columns: Stock, No. of Tve, Day's, etc.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., May, Last, etc.

LONDON TRADED OPTIONS

Table with columns: Option, Apr, May, Jun, etc.

WORLD STOCK MARKETS

AUSTRIA

Table with columns: Mar. 19, Price, +/-, and company names like Creditanstalt, Oesterreichische Bank.

GERMANY

Table with columns: Mar. 19, Price, +/-, and company names like Allianz, Bayer, Daimler-Benz.

NETHERLANDS

Table with columns: Mar. 19, Price, +/-, and company names like AEG, Alcatel, Philips.

FRANCE

Table with columns: Mar. 19, Price, +/-, and company names like Air France, Bouygues, Elf.

ITALY

Table with columns: Mar. 19, Price, +/-, and company names like Agnelli, Eni, IRI.

SPAIN

Table with columns: Mar. 19, Price, +/-, and company names like Banco de España, Telefónica.

SWEDEN

Table with columns: Mar. 19, Price, +/-, and company names like ASEA, Volvo, Saab.

FINLAND

Table with columns: Mar. 19, Price, +/-, and company names like Nokia, Wärtsilä.

GERMANY (continued)

Table with columns: Mar. 19, Price, +/-, and company names like Siemens, Volkswagen.

NETHERLANDS (continued)

Table with columns: Mar. 19, Price, +/-, and company names like Shell, Unilever.

FRANCE (continued)

Table with columns: Mar. 19, Price, +/-, and company names like Peugeot, Renault.

ITALY (continued)

Table with columns: Mar. 19, Price, +/-, and company names like Fiat, Eni.

SPAIN (continued)

Table with columns: Mar. 19, Price, +/-, and company names like Iberdrola, Telefónica.

SWEDEN (continued)

Table with columns: Mar. 19, Price, +/-, and company names like Volvo, Saab.

FINLAND (continued)

Table with columns: Mar. 19, Price, +/-, and company names like Nokia, Wärtsilä.

NORWAY

Table with columns: Mar. 19, Price, +/-, and company names like Statoil, Aker.

AUSTRALIA

Table with columns: Mar. 19, Price, +/-, and company names like BHP, Woolworths.

JAPAN

Table with columns: Mar. 19, Price, +/-, and company names like Dai-ichi Kangyo Bank, Daiwa.

HONG KONG

Table with columns: Mar. 19, Price, +/-, and company names like HSBC, Citibank.

JAPAN (continued)

Table with columns: Mar. 19, Price, +/-, and company names like Toyota, Nissan.

SINGAPORE

Table with columns: Mar. 19, Price, +/-, and company names like Overseas-Chinese Bank.

SOUTH AFRICA

Table with columns: Mar. 19, Price, +/-, and company names like Anglo American, De Beers.

NETHERLANDS (continued)

Table with columns: Mar. 19, Price, +/-, and company names like Shell, Unilever.

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Table with columns: Mar. 19, Price, +/-, and company names like Anglo American, De Beers.

NETHERLANDS (continued)

Table with columns: Mar. 19, Price, +/-, and company names like Shell, Unilever.

CANADA

TORONTO

Closing prices March 19

Table with columns: Stock, High, Low, Close, Change, and company names like Alcan, Bell Canada.

CANADA (continued)

TORONTO

Closing prices March 19

Table with columns: Stock, High, Low, Close, Change, and company names like Alcan, Bell Canada.

CANADA (continued)

TORONTO

Closing prices March 19

Table with columns: Stock, High, Low, Close, Change, and company names like Alcan, Bell Canada.

CANADA (continued)

TORONTO

Closing prices March 19

Table with columns: Stock, High, Low, Close, Change, and company names like Alcan, Bell Canada.

CANADA (continued)

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Closing prices March 19

Table with columns: Stock, High, Low, Close, Change, and company names like Alcan, Bell Canada.

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LONDON Chief price changes. Ex 2% 1990, Con 9% 2000 A, Access Set, Brit Arrow, Burton, DRG, De Beers Dfd, Dupont, Evered, Glynwed, Harris Motor, Kennen Motor, Laing Ltd, Meyer Intl.

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table containing stock prices for various companies, organized in columns with headers for stock names, prices, and changes. Includes sub-sections for 'D O D', 'E', 'F', 'G', 'H', 'I', 'J', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include 12 Month High, Low, Stock, P/E, Div, and various price points. Includes sub-sections like 'Continued from Page 38' and 'S S S'.

Table of AMEX Composite Closing Prices. Columns include Stock, P/E, Div, and various price points. Includes sub-sections like 'Over-the-Counter' and 'NASDAQ national market, closing prices'.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter and NASDAQ national market closing prices. Columns include Stock, Sales, High, Low, Last, and Change.

AMSTERDAM/DELFT/EINDHOVEN GRONINGEN/THE HAGUE/HAARLEM/HEEMSTED/ LEIDEN/LEIDERDORP/OEGSTGEEST/ RUSWIJK/ROTTERDAM/UTRECHT/WASSENAAR THE NETHERLANDS. Includes contact information for Richard Willis.

# FINANCIAL TIMES

## WORLD STOCK MARKETS

### WALL STREET

## Unsettling oil worries resurface

US FINANCIAL markets were unsettled yesterday by worries over oil prices, a downgrading in Federal estimates of GNP, and poor profits news from the technology sector, writes Terry Byland in New York.

Bonds opened sharply down on overnight selling pressures from Japan, and some initial support for stock prices faded away before mid-session.

Lacking firm news from the Geneva meeting of Opec ministers, traders kept a close eye on US futures markets for crude oil, stock indices and bonds. The revision in official GNP growth estimates for the 1985 fourth quarter from 1.2 per cent to 0.7 per cent inside the range of market forecasts, but a further indication of a sluggish economy.

Stock moved narrowly throughout the session, rallying in the last half hour from a bout of futures-orientated selling. The Dow Industrial Average ended a net 1.92 points down at 1787.95, on heavy NYSE turnover of 151.4m shares.

Bonds remained weak, with the municipal sector unsettled after a major trader suspended operations for two hours because of the continued uncertainty

over the taxation outlook for estate and local funding.

Technology stocks took widespread falls behind Burroughs, which tumbled by 3 3/4% to \$64 after the board warned of "poor" first quarter earnings, "not insignificantly below" last year's \$1.08 a share.

This latest sign of difficult times in the computer and technology markets tended to confirm Wall Street's apprehensions. IBM fell 3/4% to \$151 1/4, and Digital Equipment plunged 3 3/4% to \$160. At \$76, Honeywell lost 1 1/4%.

But the Dow average was sustained by firmness in the Detroit motor issues after Nissan Motor increased its US prices. At \$84, General Motors added 5/4% with heavy turnover confirming the rise in the stock earlier this week. Chrysler, with its small cars directly competitive with the Japanese manufacturers, jumped 1 1/4% to \$43 3/4, while Ford surged by 3/4% to \$76.

Defence-aerospace stocks did well, with the exception of General Dynamics, which eased \$1 to \$83 1/4. There was support for McDonnell Douglas, up \$1 at \$86, and for Lockheed, up \$1 1/4 at \$57.

Oils continued to respond with caution to the likelihood that OPEC will stem the fall in world oil prices. At \$55 1/4, Exxon eased by 3/4%, while Chevron gained 3/4% to \$37 3/4 and Atlantic Richfield 3/4% to \$53 1/4.

Airlines, on the other hand, moved up smartly with some investors unconvinced that OPEC will succeed. United gained 1 1/4% to \$55 1/4, and American \$1 to \$50 1/4. There was heavy turnover in Eastern Air Lines, although the stock remained unchanged at \$34. TWA eased \$1 to \$17 1/4.

Chemical issues, beneficiaries of a weaker dollar, edged forward, led by Monsanto, up 3/4% to \$60 1/4. The weak feature was Du Pont, which fell 1 1/4% to \$74 1/4 on profit-taking after its recent rise.

In pharmaceuticals, Eli Lilly bounded by 7 1/4% to \$67 1/4 in heavy trading after Goldman Sachs tipped its new Prozac drug as a potential winner. Warrants for Lilly stocks also bounded sharply.

The rest of the drug sector was overshadowed by the activity in Lilly and showed minor losses.

A spate of earnings reports from the retail sector featured Toys "R" Us, the specialist toy retailer, down 3/4% at \$39 1/4 on the annual profit figures.

Chase Manhattan, which is selling its Visa Travellers cheque operations to Barclays Bank of the UK, eased by 3/4% to \$43 1/4. The rest of the banking sector was firm. Insurance stocks moved ahead after widespread comment on the rising costs of insurance in the US.

In the credit markets, short-term rates remained motionless as the market appraised the chances for any further easing in Fed credit policies at present. Federal funds stood at 7 1/4 per cent.

Losses in the bond market ranged to nearly half a point after early selling from the Far East dried up. With the slide in oil prices now in question, long-term yields have returned to nearly 8 per cent.

### EUROPE

## Record run finds fresh impetus

EUROPE caught Wall Street's contagious hullishness yesterday as France, Belgium and Sweden rose to records for another session.

News that Gaullist leader Jacques Chirac had been asked to lead a right-wing government boosted confidence in Paris where the CAC General index put on 7.1 to a record 332.7.

Star performer was Radiotechnique which rose 17 per cent from FFr 705 to FFr 1,050, a rise of around 1.7 per cent, after registering a FFr 130 gain in the previous two sessions. CIT-Alcatel added another FFr 180 to FFr 2,125.

Cement group Lafarge Coppée was FFr 65 higher at FFr 1,225, while in the foods sector, BSN added FFr 220 to FFr 3,880.

Those to decline included Avions Dassault, FFr 40 off at FFr 1,150 and Lésieur, FFr 28 down at FFr 870.

Continued optimism over a further drop in interest rates combined with an active start to the 15-day forward trading period to push Brussels higher.

The Belgian Stock Exchange index peaked at 3,417.09 after a rise of 34.39.

Electrical holding groups were strong. Electrafina rose BFr 80 to BFr 8,040, Electrobel gained BFr 400 to BFr 14,500 and Tractebel added BFr 80 to BFr 5,820.

Astuzienne, the investment house specialising in minerals, property and venture capital which announced a 10 per cent increase in its dividend, rose BFr 84 to BFr 1,170. The share is now at the top of its 1985-86 trading range.

In banks, Kredittbank added BFr 675 to BFr 14,200 as it sought to catch up with the rest of the market and Générale de Banque was steady at BFr 5,800, unaffected by the arrest of one of its employees who is alleged to have been making a market in fictitious share orders.

The third consecutive record in Stockholm came on the back of confidence in the outlook for the country's economy and another fall in credit market yields.

Skandia put on SKr 13 to SKr 448, Alfa Laval SKr 8 to SKr 290 after Tuesday's higher results, and Saab-Scania SKr 15 to SKr 600.

Frankfurt bounced back as foreign and domestic investors snapped up bargains after Tuesday's lower session.

Export-dependent industries gained from the stronger D-Mark. Among car issues VW added DM 22 to DM 585 on speculation it planned extra shifts to meet heavy demand, Daimler DM 17 to DM 1,333 while Porsche and BMW were both marked down, the former DM 6 to DM 1,199 and the latter DM 8 to DM 520.

Metals producer Degussa rose DM 17 to DM 462 on a higher dividend and little changed earnings while Klöckner added DM 8.50 to DM 100.50 on its first profit in 10 years.

Nixdorf added DM 20 to DM 580, recovering Tuesday's DM 18 drop caused by the sudden death of the founder Heinz Nixdorf. The company later strongly denied market rumours that Philips of the Netherlands or VW were about to take over Nixdorf.

Bonds eased by around 25 basis points. The Bundesbank bought a sizeable DM 148.8m worth of paper compared with DM 35.8m in the previous session.

The profit-taking pressure continued to pinch Milan as stocks fell for the second day.

Banks and insurance stocks moved against the trend with Generali L3,000 ahead at L112,000 while Mediobanca picked up a further L3,000 to L193,000. Fiat was particularly active but closed L80 down at L10,150. The transport group announced plans to re-employ 5,500 workers and staged a smart recovery in after-bourse trading.

Madrid had another lively session with the bourse index adding 1.11 to 150.10.

Banks were particularly active with Banco Hispano and Banco Popular each rising 15 percentage points to 355 and 925 per cent of nominal value, respectively.

Leading industrials set the pace in Oslo although the Opec impasse tended to dampen sentiment. Norsk Data picked up Nkr 1.50 to Nkr 450 while Norsk Hydro held steady at Nkr 139.50 after optimistic hoard comments on a Canadian magnesium project. Borregard jumped Nkr 12.50 to Nkr 385 and Christiania Bank was Nkr 14 lower at Nkr 152.50 despite record results.

Amsterdam moved slightly higher as investors remained cautious ahead of local poll results. Strong buy recommendations from banks and investment institutions pushed Royal Dutch FI 1.90 higher to FI 186.20 while Philips added 50 cents to FI 63.20 on increased earnings expectations.

Most bonds rose around 10 to 30 basis points.

Zurich nudged higher as banks met steady demand but closed below their earlier highs.

### AUSTRALIA

MILD profit-taking developed in Sydney after its recent record setting form. The All Ordinaries index eased 1.4 to 1,123.3.

BHP fell 4 cents to A\$8.36 after touching A\$8.34 while its suitors were mixed. Bell Resources held steady at A\$5.20 after an early 2 cent fall while its parent Bell Group was 4 cents cheaper at A\$2.70.

CRA benefited from heavy overseas buying and finished 8 cents higher at A\$6.70 while Bougainville firmed 14 cents to A\$2.70 on strong foreign buying. Aberfoyle added 20 cents to A\$8.50.

Media stocks were mixed with News Corporation retreating 80 cents to A\$16.40 after Tuesday's impressive showing.

### LONDON

## Budget gets vote of confidence

A VOTE of confidence was given to the budget yesterday by both domestic and foreign investors.

The London gilt market hovered on euphoria as the Bank of England signalled approval of lower interest rates. Money market dealing rates were cut by a full percentage point and the clearing banks soon followed suit forcing lending rates down to 11 1/2 per cent.

Profit-taking in the bond market had little impact as sales were absorbed by eager buyers. Aggressive buying through the session and into after hours trade left longs 2 1/2 points higher.

Equities displayed similar enthusiasm with the FT Ordinary index catapulted 14.9 higher to a fresh record of 1,389.5.

Internationals proved one of the few weak spots following the 5 per cent ADR tax and fears that this could repel foreign buyers. Life insurers were also dull.

Among the sparkling banks, NatWest jumped 3 1/2 to 888p. Lloyds was 23p up at 833p. Barclays was 10p higher at 555p and Midland settled for a 5p rise to 505p. Legal & General dropped 29p to 783 while Abbey Life was 4p cheaper at 203p.

Chief price changes, Page 37; Details Page 36; Share information service, Pages 34-35

### HONG KONG

FURTHER SELLING by foreign fund managers induced a weaker tone in Hong Kong. The Hang Seng index dipped 1.78 to 1,559.94 after an early gain of over 8 points.

The continued strong showing of leading overseas bourses prompted the fresh decline while the weak Hong Kong dollar proved a further discouragement.

Declines of 10 cents were recorded by Cheung Kong at HK\$18, China Light at HK\$15, Hutchison Whampoa at HK\$24.30 and Sun Hung Kai Properties at HK\$10.70.

Rises of 5 cents were made by Hongkong Electric at HK\$8.30 and Hongkong Bank at HK\$7.80. Sung Hung Kai Company eased 2 cents to HK\$1.03 ahead of results.

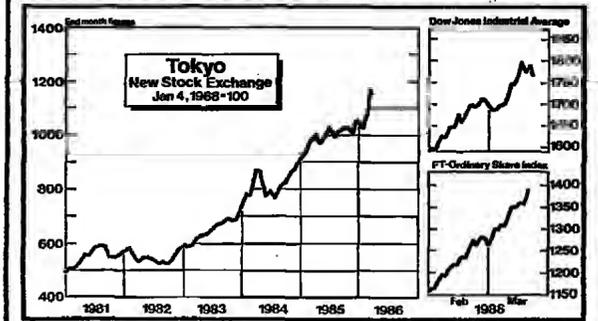
### SINGAPORE

SPORADIC bargain-hunting featured in a listless Singapore that trimmed 1.84 off the Straits Times industrial index to 569.66. Turnover rose slightly to 8.6m.

Singapore Airlines remained the most active with 822,000 shares traded and closed steady at S\$6.40.

Sateras Resources, also very active, fell 2 cents to 38 cents while OCEC held steady at S\$6.05 on high turnover.

### MARKET MONITORS



#### STOCK MARKET INDICES

	March 19	Previous	Year ago
DJ Industrials	1,787.95	1,789.87	1,271.09
DJ Transport	805.57	802.75	603.30
DJ Utilities	185.01	186.50	148.70
S&P Composite	235.60	235.78	179.54

#### LONDON

FT Ord	1,389.5	1,374.6	1,001.3
FT-SE 100	1,659.8	1,644.4	1,304.7
FT-A All-shares	507.79	799.32	620.92
FT-A 500	689.65	681.47	677.62
FT Gold mines	318.1	317.4	517.7
FT-A Long gilt	9.37	9.57	10.67

#### TOKYO

Nikkei	14,476.54	14,639.32	12,478.0
Tokyo SE	1,153.10	1,168.40	1,003.01

#### AUSTRALIA

All Ord.	1,123.3	1,124.6	793.9
Metals & Mins.	558.0	550.8	476.7

#### AUSTRIA

Credit Aktien	115.90	116.17	70.80
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#### BELGIUM

Belgian SE	3,417.09	3,382.7	2,302.62
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#### CANADA

Toronto			
Metals & Mins	2,360.70	2,342.8	2,084.0
Composite	2,996.80	2,984.9	2,621.9
Montreal			
Portfolio	1,540.57	1,530.66	131.01

#### DENMARK

SE	238.16	237.62	177.62
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#### FRANCE

CAC Gen	332.7	325.6	205.8
Ind. Tandance	128.2	124.8	111.8

#### WEST GERMANY

FAZ-Aktien	691.27	685.16	419.59
Commerzbank	2,056.3	2,073.3	1,217.1

#### HONG KONG

Hang Seng	1,559.94	1,561.72	1,300.97
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#### ITALY

Banca Comin.	649.45	654.53	273.50
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#### NETHERLANDS

ANP-CBS Gen	263.7	261.0	206.4
ANP-CBS Ind	250.4	248.7	184.6

#### NORWAY

Oslo SE	354.63	353.81	314.82
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#### SINGAPORE

Straits Times	569.66	570.29	836.32
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#### SOUTH AFRICA

JSE Golds	-	1,238.4	965.7
JSE Industrials	-	1,180.1	882.5

#### SPAIN

Madrid SE	150.10	148.99	111.91
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#### SWEDEN

J & P	1,975.78	1,956.10	1,430.43
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#### SWITZERLAND

Swiss Bank Ind	579.8	578.0	430.9
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#### WORLD

	Mar 18	Prev	Year ago
MS Capital Int'l	300.0	298.8	196.0

#### COMMODITIES

	March 19	Prev
Silver (spot fixing)	385.55p	382.25p
Copper (cash)	£98.50	£100.00
Coffee (Mar)	£2,410.00	£2,450.00
Oil (spot Arabian Lght)	n/a	n/a

#### GOLD (per ounce)

	March 19	Prev
London	\$347.75	\$350.50
Zürich	\$347.00	\$351.25
Paris (fixing)	\$351.77	\$353.41
Luxembourg	\$348.85	\$351.06
New York (April)	\$350.80	\$350.30

#### CURRENCIES

	March 19	Previous	March 19	Previous
US DOLLAR				
(London)				
\$	-	-	1.48	1.4775
DM	2.2615	2.249	3.3475	3.3225
Yen	176.85	175.0	262.0	258.5
FFr	6.955	6.915	10.2925	10.2175
SFr	1.8955	1.8835	2.805	2.7825
Guilder	2.5515	2.538	3.775	3.75
Lira	1.5370	1.5280	2.27475	2.2575
BFr	45.25	45.95	68.46	67.9
CS	1.3895	1.3886	2.0645	2.05

#### INTEREST RATES

	March 19	Prev
Euro-currencies (3-month offered rate)		
£	11 1/2	11 1/2
SFr	4 1/4	4 1/4
DM	4 1/2	4 1/2
FFr	11 1/2	12

#### FT London Interbank fixing (offered rate)

3-month US\$	7 1/4	7 1/4
6-month US\$	7 1/4	7 1/4
US Fed Funds	7 1/4	7 1/4
US 3-month CDs	7 1/4	7 1/4
US 3-month T-bills	6.515	6.51

#### US BONDS

	March 19	Prev	Yield	Price
8 1988	101 1/2	7.21	101 1/2	7.21
8 1993	105 1/2	7.72	105 1/2	7.649
8 1998	107 1/2	7.828	107 1/2	7.739
9 1/2 2016	114 3/4	7.996	114 3/4	7.947

#### Treasury

	March 19	Prev	Yield	Price
8 1988	101 1/2	7.21	101 1/2	7.21
8 1993	105 1/2	7.72	105 1/2	7.649
8 1998	107 1/2	7.828	107 1/2	7.739
9 1/2 2016	114 3/4	7.996	114 3/4	7.947

#### Treasury Index

	March 19	Prev	Day's change
1-30	147.70	+0.07	7.71
1-10	141.04	-0.04	7.53
1-3	133.05	+0.04	7.30
3-5	143.24	+0.02	7.60
15-30	171.52	+0.49	8.34

#### Corporate

	March 19	Prev	Yield	Price
AT & T	101 1/2	8.85	101 1/2	8.85
10% June 1990	101 1/2	8.85	101 1/2	8.85
3 1/2% July 1990	89 1/2	6.75	89 1/2	6.75
8 1/2% May 2000	97 1/2	9.05	97 1/2	8.05

#### Xerox

10% Mar 1993	108	8.21	108	8.21
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#### Diamond Shamrock

10% May 1993	101.21	10.25	101.21	10.25
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